THE CHINA WEEKLY

REVIEW

Devoted to the Economic, Political and Social Development of China and its Intercourse with Other Nations

Will Hankow Recapture Canton?

By F. K. Wu

Standard Oil Company And Soviet Oil!

Fear and Contempt in Sino-Foreign Relations

By Arthur Ransome

The Question of Indian Sedition in Shanghai

By F. P. Frazier

The Collection of the Luxury Surtaxes

By C. Y. W. Meng

密勒氏評論報

SATURDAY, AUGUST 6, 1927

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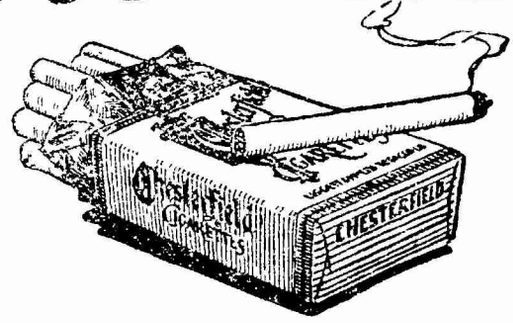

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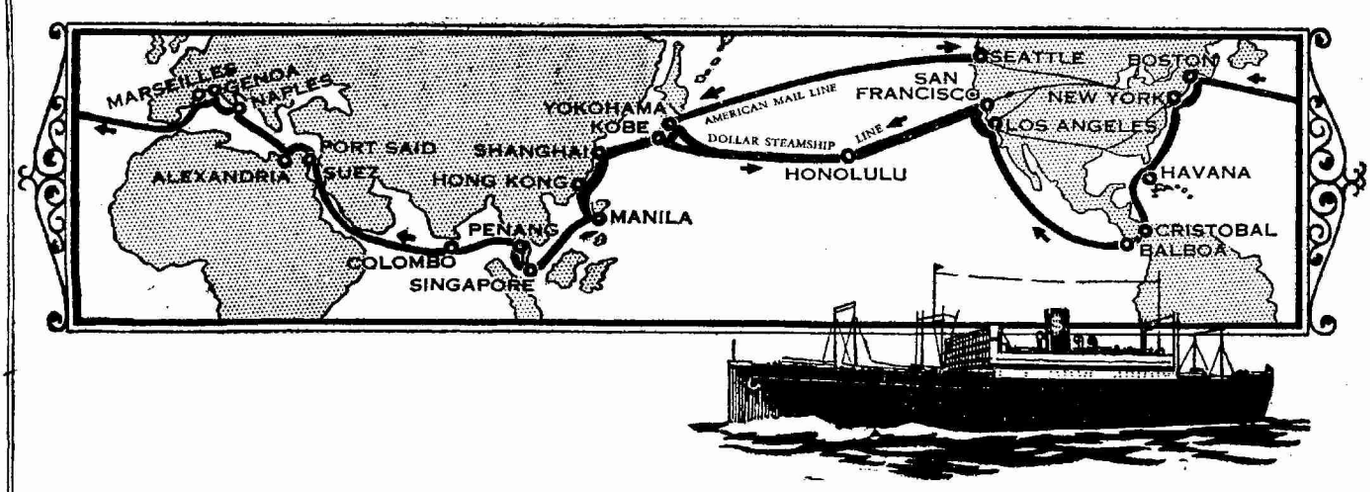

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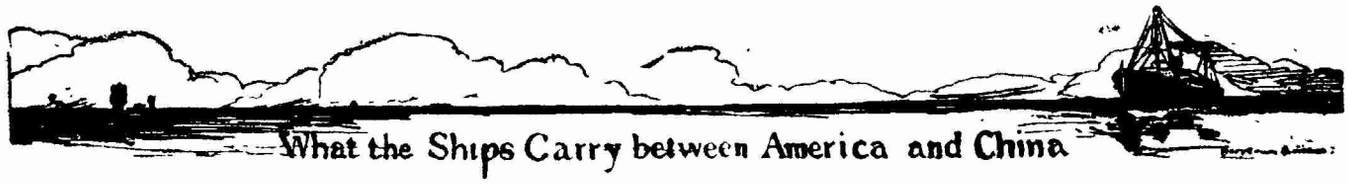

Return of the Shanghai Customs

Pls.—1 Picul or 133 1/3 pounds; Bls.—Bales; Pcs.—Pieces; Mil's—thousands; Hk. Tls.—Haikwan Tls., Aug. Customs Rate Tls. 1.45 equal Gold $1

KOREA MARU, July 1.

To San Francisco.

Silk, Pongees, Shantung	Pls.	2.89
Tea, Green:		
Gunpowder, Ningpo.	,,	226
,, other Ports	,,	17
Young Hyson, other Ports	,,	23
Bristles	,,	45
Egg Albumen, Dried	,,	42
Intestines, Pigs', Salted.	,,	10
Tallow, Vegetable	,,	417

To Los Angeles.

Tea, Black, Congou:		
Hankow	,,	76
Tea, Green:		
Gunpowder, Ningpo.	,,	15
Egg Albumen, Dried	Pls.	15

To Houston.

Hair, Human	,,	133

To Charleston.

Hair, Human	,,	144

To Boston.

Skins, Goat, Untanned	Pls.	171

To New York.

Silk, Raw, Steam Filature: White, Shanghai Bls. 30	,,	30.06
Intestines, Goats,' Salted	,,	7

PRESIDENT GRANT, July 1.

From U S. A.

Butter	,,	12
Canned Asparagus	,,	87
,, Fruits	,,	55
Leather, Sole	,,	149
Milk, Condensed	,,	72
Oranges, Fresh	,,	584
Paper, Cardboard	,,	1,497
Soda, Silicate of	,,	307
Coffee	Gatties	225
Cigarettes	Mille	4,700
Lemons, Fresh	,,	175
Oil, Lubricating, Mineral	Galls.	9,453
Treasure: Silver Bars	Hk.Tls.	986,832

SHINYO MARU, July 2.

from U. S. A.

Lead, in Pigs	Pls.	4,205
Milk, Evaporated	,,	167
Sugar, of Milk	,,	225

TAKAOKA MARU, July 2.

To Boston.

Skins, Goat, Untanned	,,	94
Tea, Black, other kinds, Kiukiang	,,	115

To New York.

Tea, Green:		
Gunpowder, Ningpo.	,,	76
Young Hyson, other Ports	,,	51
Tea, Black, other Kinds, Kiukiang	,,	183
other Ports	,,	28
Tea, Leaf, Unfired, Hankow	,,	75
Bristles, Assorted	,,	125
Egg, Yolk, Dried	,,	168
Hides, Cow	,,	233
Nutgalls	,,	182
Tungsten Ore	,,	420

PRESIDENT GRANT, July 2.

To Manila.

Beancake	Pls.	46
Beans, Yellow	,,	630
Chinaware, Fine	,,	5
Dates, Preserved	,,	13
Earthenware	,,	6
Fish, Salt	,,	30
Groundnuts, Kernels	,,	147
Hams	,,	234
Lard	,,	84
Lily Flowers, Dried	,,	11
Oil, Groundnut	,,	725
Onions, Fresh	,,	23
Potatoes, Fresh	,,	53
Preserves	,,	14
Rice	,,	38
Eggs, Fresh	Mille	955
,, Preserved	,,	22
,, Salted	,,	90
Sheetings, Grey, Shanghai	Pcs.	3,980
Carpets	Hk. Tls.	964

FUJI MARU, July 4.

From U. S. A.

Iron, Old	Pls.	381
Steel, Galvanized: Sheets Plain	,,	3,569
Bones, Cow	,,	596

LONDON MARU, July 7.

To St. Louis.

Tea, Green: Gunpowder, Ningpo	,,	185

To New York.

Silk, Raw, Steam Filature: White, Shanghai Bls. 5	,,	4.97
White, other Ports Bls. 10	,,	9.98
Yellow other Ports Bls. 5	,,	4.98

To Philadelphia.

Wool, Sheep	,,	185

To Seattle.

Tea, Green: Gunpowder, Shanghai	,,	1
Oil, Wood	,,	5,025

PRESIDENT JEFFERSON, July 8.

To Honolulu.

Brassware	Pls.	12
Kittysols	,,	432

To San Francisco.

Gunpowder, Ningpo.	,,	84
Brassware	,,	23
Books, Printed	,,	14
Egg Albumen, Dried	,,	24

To New York.

Pongees, Honan	,,	12.92
Brassware	,,	232
Tea, Green: Gunpowder, Ningpo.	,,	191
Bristles, Assorted	,,	254
Egg Albumen, Dried	,,	285
Hides, Cow	,,	224
Chinaware, Fine	,,	14
Oil, Wood	,,	1,500
Woodware	,,	13
Skins, Raccoon	Pcs.	1,000
,, Badger	,,	1,950
,, Sheep	,,	1,000
,, Hare	,,	5,650
,, Dog	,,	7,400
,, Moufflon	,,	3,000
Carpets	Hk. Tls.	945

To Los Angeles.

Albumen, Dried	Pls.	23
Chinaware, Fine	,,	16

To Boston.

Hides, Cow	,,	524

To Charleston.

Hair, Human	,,	48

To Baltimore.

Tea, Green: Gunpowder, Ningpo.	,,	198

To Galveston.

Brassware	,,	11

To Reading, Pa.

Silk, Raw, Steam Filature: White, Shanghai Bls. 10	Pls.	10.02

To Ancon.

Pongees, Shantung	,,	1.13

To Houston.

Hair, Human	,,	216

COMERIC, July 8.

from U. S. A.

Cotton Thread, Embroidery	Pls.	1
Steel Wire Rods, Defective	,,	336
Steel Wire Shorts	,,	197
Iron Pipe Fittings	,,	51
Tinned Plates, Plain	,,	575
,, ,, Old	,,	155
Buntal Fibre	,,	3
Leather, Calf	,,	1
,, Patent	,,	1
Soap, Household	,,	3
Sugar, Green	,,	840
Tobacco, Leaf	,,	24
,, Prepared	,,	7
Alcohol	Galls,	35,904
Oil, Lubricating, Mineral	,,	2,700
Cigarettes	Mille	18,550

WEST PROSPECT, July 9.

from U. S. A.

Oil, Calol	Gal's.	113
,, Kerosene, in bulk	,,	41,600
,, ,, ,, Cases	,,	827,500
,, Lubricating, Mineral	,,	1,344
Turpentine, Mineral	,,	833

CITY OF SPOKANE, July 9.

from U. S. A.

Timber: Softwood, Logs Sup. ft.		247,459
Softwood, Ordinary, Sawn	,,	1,052,349
Softwood, Merchantable	Sup. ft.	488,118

Weekly Cotton Market Report

By J. Spunt & Co.

China Cotton:—Our market during the past week has been very quiet with very little business passing for spot deliveries, notwithstanding which, prices have not shown any weekening inclination but maintained more of a firmness than otherwise at the close, being buoyed up in its trend by the firm and advancing tendency in the values of the foreign fibre and the impracticability for the time being of any opportunity draw on foreign supplies at more reasonable than or more on a parity basis with the rates ruling on the domestic staple.

Having the foregoing in view and taking into consideration the statistical position at the moment, the indication as to the trend of prices cannot but be bullish in the long run. however, modifications may ensue on more favourable reports of the condition of the growing crop in the U.S.A. and China.

Yarn:—While our market during the early past of the week intimated a firm tendency, a somewhat easier undertone ensued at the close, and the net change in prices for the week shows a decline of Tls. 1.00 to Tls. 2.00 when compared with those of last week. Business for export has been booked some 4,000 to 5.000 bales in all counts during the week under review.

Liverpool:—

American-Middling	10.07
American-Middling last reported	9.78
Tone of the Market, *Firm*	

New York Market:—

Price of Mid-Amer.	18.90 Spot.
	18.78 Oct.
	19.12 Dec.
	19.22 Jan.
	19.40 Mar.
	19.56 May.
Tone of the market—*Firm*	

Indian Market:—

Fully Good Bengal, D./J.	336
Fine Oomra, July	368
Fully Good Broach, J./A.	368
Tone of the market—*Firm*	

Shanghai Market:—

	Tls.
Tungchow, spot exwharf	37.50
Shanghai, Spot	37.00
M. Ginned, Spot	37.50
Shensi, No. 1 Spot	38.00
Ningpo. Spot, Exwharf.	35.20
Tone of the market—*Firm*	

Fearless American Journalism in Troubled China

(Columbia, Ga., Enquirer-Sun)

An American editor in China has recently spoken right out in meeting and outraged the feelings of both American and British residents and officials in imperialistic sentiment in Shanghai. The name of this rash newspaper man is John B. Powell and he hails from Hannibal, Missouri. John Powell is editor of the only American-owned newspaper in Shanghai and he seems to be able to maintain an independent American viewpoint in the midst of excitable compatriots and British Tories and, what is more to the purpose, he has the courage to make known his viewpoint editorially.

Editor Powell recently expressed his convictions about foreign exploitation of China in his paper the *China Weekly Review* as follows:

"The Chamber of Commerce (of Shanghai) apparently believes in involving America in complications in this part of the world, which, in my opinion, may have a far-reaching effect, even to the extent of another World War.

"I believe the Chinese have the right to express their views as well as the English or Americans, or, others, and, so long as I am engaged in the publication of an American paper in Shanghai *it is my intention to give them a square deal.*

"The American people have no business to interfere in the internal affairs of the Chinese."

This forthright declaration increased the resentment of jingoistic American and British residents which had already inspired an article in the *North China Daily News*, the chief British organ in China, entitled *Washington Deserts Her Allies* and which contained the following paragraphs:

"A responsible authority speaking for the American Legation says that American officialdom in China has been abominably treated by the Washington Administration. Consular and diplomatic reports have furnished more than enough material to shape public opinion in America if the Government cared to face conditions honestly by giving out the information at its disposal.

"Instead, the Administration suppresses the facts and smugly pretends to follow public opinion. The Peking community unites in the conviction that the indifference indicates a national decadence as a result of over-prosperity. The last straw, in the official view, is the suggestion to Washington from Admiral Charles S. Williams that the American Legation should be removed from Peking to Shanghai.

"Great Britain alone is preparing to suppress anarchy along the Yangtze. British naval officials have worked out a punitive scheme which is understood to have been submitted to London for approval, but which has not yet been sanctioned by Great Britain."

This mere blowing off of steam against the American policy in China did not suffice to lull Britsh irritability and the ruffled temper of imperialistic American residents. Outraged sentiment was only too ready to fasten on a scapegoat in the person of the plainspoken editor of the *China Weekly Review*. So following the unequivocal statement in his editorial the American Chamber of Commerce met and asked for the resignation from its membership of the paper edited by John Powell. Also, Mr. Powell was cold-shouldered to the point where he felt it appropriate to resign as president of a prominent China-British-U. S. Shanghai club.

Being what he is, a man of courage and intelligence and one who is patriotic enough to adhere to the principles of fairness and squareness toward weeker nations for which America is supposed to stand, it is not likely that John Powell is wasting any regrets over his snubbing by jingoes and selfish compatriots. If the latter element should boycott the *China Weekly Review* to the point where its owners might contemplate Mr. Powell's transfer, we hope he will come back to the United States and take up editorial duties here. America has plenty of use for editors such as Mr. Powell. The more of his kind we have, the better for free and fearless journalism.

Books of the Day

CHINA'S NEW NATIONALISM AND OTHER ESSAYS, By Dr. H. F. MacNair, $2.50.

CHINA'S INTERNATIONAL RELATIONS AND OTHER ESSAYS, By Dr. H. F. MacNair, $2.50.

VITAL FACTORS IN CHINA'S PROBLEMS, By Dr. T. H. Lee, Ready in the September of 1927.

The Commercial Press, Ltd., Publishers

Rotarians Entertain Distinguished Guests

Congressman L. C. Dyer of Missouri, Major General Crozier, U. S. army, retired; and United States Commercial Attache Julean Arnold were the guests of honor at the Rotary Club tiffin at the Majestic Hotel July 28. The addresses made by the guests were characterized not only by wit, but were replete with solid information and valuable comment.

Mr. Arnold gave an account of a recent trip to Hankow, at the same time giving the information that the exports of wood oil to America had been 5,000 tons greater during the first six months of this year than they were in 1926. The trade in "hot dog envelopes" (sausage casings) was also very brisk, Mr. Arnold said. The silver embargo had its bad effects in some ways, but as the Hankow money was at a discount it helped to stimulate the export market. Conditions on the whole, said Mr. Arnold, were much better than they were six months ago.

Congressman Dyer coupled with his hope that China would go forward, a suggestion to the Chinese that they could not adopt a policy of exclusiveness. China ought, said Mr. Dyer, to adopt the spirit of the Rotarians, and recognize the rights of others and that people should come and go and live among each other with good will.

Gen. Crozier told the Rotarians something of the work accomplished in America by the application of scientific management to industry. He is on his way to Rome, Italy to attend a conference on this subject which has been called by Mussolini.

China Exports To U. S. A. Continue in Fair Volume

Despite the adverse effects of civil war, exports from China to the United States during the month of May showed a total of more than eleven million gold dollars, exclusive of shipments of gold bars. This information is contained in a table compiled by the U. S. Consulate General in Shanghai from statistics furnished by all the American Consulates in China.

Chinese wood oil export for the month totaled more than a million and a quarter dollars (All figures in U. S. gold). Silk export (all grades) came to just over there and a half million dollars. Bristles showed up just under six hundred thousand dollars. Egg products were exported to about a third of a million dollars Dog skins were exported to a value of $455,000; squirrel skins, $424,686. Sheep's wool did a business during the month of over a half a million dollars and the trade in wool carpets was just under half a million.

Shanghai Tax Controversy Is Compromised

Through the mediation of Yu Ya-ching, one of the most prominent members of the Chinese community in Shanghai, and former chairman of the General Chamber of Commerce, a compromise has been effected in the tax dispute between the Municipal Council and the Chinese community. The terms of the agreement come to seem to be rather closely guarded by both sides, but it is understood that the Chinese have been promised five members on the Council, instead of the three offered so far (which offer the Chinese never availed themselves of), and that Chinese are to be admitted to the committee recently appointed to investigate the matter of Municipal expenditure. With these promises before them, the Chinese have agreed to pay, but even at that the payments, from all that can be learned, are coming in very slowly. The agreement come to follows pretty much the same lines as that which had previously been come to in the French Concession, where the Chinese were promised that the taxes next year should be reduced if such a step was at all possible, and in the mean time more Chinese have been added to the French Council. It will be noted that with five members, the Chinese will have the same number of Councillors as the British. The outstanding feature of the tax controversy is the refusal of the *China Courier*, Nationalist organ, incorporated in Delaware, U. S. A. to pay. The Municipal Council shut off the paper's electric current, and since then the *Courier* has been appearing with hand-set type. Incidental to a suit for damages brought by the *Courier* against the Municipal Council in the Court of Consuls, the *Courier* has secured a temporary injunction against the Council from shutting off the electric power, upon the *Courier* depositing with the Court a bond of $1,000.

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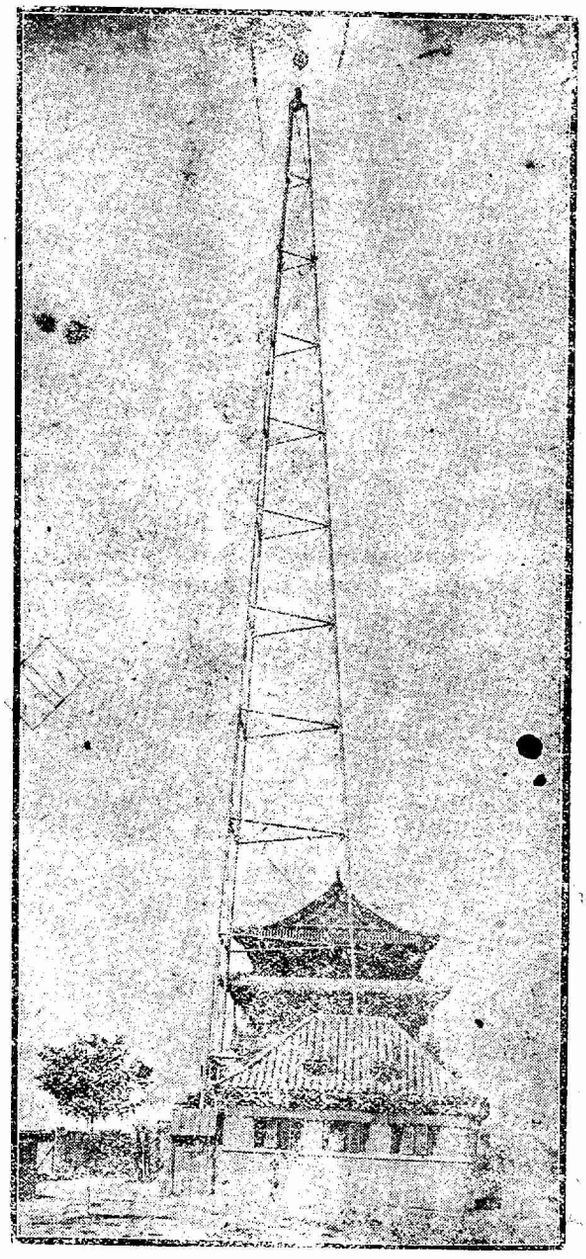

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密勒氏評論報

THE CHINA WEEKLY REVIEW

Formerly Millard's Review

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COMMUNICATIONS PERTAINING TO SUBSCRIPTIONS OR ADVERTISING IN CHINA SHOULD BE ADDRESSED TO THE CHINA WEEKLY REVIEW AT 4 AVENUE EDWARD VII, SHANGHAI, CHINA. TELEPHONE CENTRAL 4741. CABLE ADDRESS "REVIEWING SHANGHAI."

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STANDARD OIL COMPANY OF N. Y. AND SOVIET OIL !

THERE have been several dispatches by *Reuters* from both New York and London pertaining to contracts which the Standard Oil Company of New York is alleged to have made with Soviet Russia, and also pertaining to British antagonism to these contracts, but very little regarding the real basis of the new oil war which seems to be pending. In view of the fact that the Standard Oil Company of New York has extensive interests in China, it is of interest to consider the new situation owing to the fact that the controversy which has developed in Europe and the Near East may have certain reverberations in this part of the world. What seems to have happened is that the Soviet Naptha Syndicate, a Russian government monopoly, has made a contract with the Standard Oil Company of New York whereby the American oil interests will obtain a monopoly of the sale of Russian-produced oil in Turkey, Port Said and elsewhere in the Near East, while the Vacuum Oil Company, a subsidiary of the Standard Oil Company, will have charge of the sale of Soviet oil in Egypt. According to a *United Press* report from Berlin, reprinted in last week's issue of *The Review*, the Standard Oil Company of New York, in consideration of the above contracts with the Soviet Government, is planning to advance to the Soviet Government a loan of somewhere between G.$50,000,000 and G. $75,000,000. According to *Reuters* reports these oil contracts seem to have stirred up considerable commotion both in America and England. In America it was the Standard Oil Company of New Jersey, which apparently has protested, the *Reuter* report stating that Socony of New Jersey, "refuses to use Russian oil until the Soviet has recognized the rights of private property." In England it was the Royal Dutch Petroleum Company of which Sir Henri Deterding is president, which protested. According to the *Reuter* message on this phase of the controversy over 'Red' oil, Sir Henri Deterding was quoted as declaring that the contract of the Standard Oil Company of New York with the Soviet oil trust was "against the interests of humanity, trade and honesty."

THE whole thing of course narrows down to a matter of competition between the powerful British and American oil interests over Soviet oil and according to the reports the American interests have won out and now that the American interests have won out the British interests, in accordance with usual custom, label the action of the Americans as being "against the interests of humanity, trade and honesty." Still another *Reuter* report quoted a Mr. Oppenheim of the Royal Dutch

Petroleum Company in Java as saying, "If American oil interests support the Soviet Government by entering into important contracts, they would enable Russia to use her most important resources as a formidable weapon against civilization." Still another interesting phase of this controversy was also referred to in a recent issue of the Paris edition of the *Chicago Tribune* which stated that the real incentive for the British Government's raid on the Soviet trading agency, Arcos House in London, was the desire of the British Government to obtain possession of the alleged contract which the Standard Oil Company of New York had negotiated with the Soviet state oil monopoly. Thus, by putting two and two together, we are able to obtain a glimpse into at least some of the reasons for the campaign, which the British Government has been waging against the Soviet Government in this part of the world. Apparently it's nothing more than the British method of getting even with the Soviet for throwing its profitable business toward the United States instead of toward England. We called attention some time ago to the fact that the United States, despite the fact that we have no diplomatic relations with the Soviet Government, are, nevertheless doing more business with Russia than at any time before the World War. The American Harriman interests have made a very profitable contract with Russia whereby American steel interests have obtained a monopoly of the world's supply of manganese. Then in addition to this an American engineer, Hugh L. Cooper, the builder of the Keokuk dam across the Mississippi, has obtained important contracts for electrial development projects in Russia and still further in addition another American engineering interest, the Freyn Co. of Chicago, has obtained contracts for the reconstruction and development of Russian steel and iron manufacturing. Henry Ford is also another American who has become interested in Russia and according to recent report has been doing wonders in reorganizing agricultural and transportation methods in Russia. Thus it begins to appear that American capital and ingenuity is coming to occupy an important place in the reconstruction of new Russia. Whether the Americans are right in doing this is not for us to say, but that they are doing it is obvious. And as stated previously, the information as to what is actually going on is interesting because it lets in a little light on some of the reasons for the British propaganda campaign against the Russian Government in this part of the world. To put it briefly, the present Conservative government in England is angry at its failure to become the dominant factor in Russian reconstruction, so they retaliate by staging a 'holy' campaign against the Soviet in China. It would be well for newspaper readers in this part of the world to keep these factors in mind when they read the propaganda put out in his part of the world through British newspapers and other propaganda organs.

AND while on this subject of the British campaign against the Soviet it would also be well for Americans in these parts to keep in mind the tendencies of the British and Japanese to get together in another Anglo-Japanese alliance, a matter which was considered at considerable length in last week's issue of *The Review*. It now seems certain that the Geneva arms conference has busted up completely, owing to the refusal of Great Britain and Japan to come to agreement on any sort of a program of limitation except one that would hamstring America in the Pacific. It therefore begins to look very much like a reversion to the Anglo-Japanese alliance, the terms of the new agreement being still obscure, but apparently tending in the direction of Japan and Britain mutually supporting each other's interests in China against the nationalistic tendencies of the Chinese. In other words Britain intervenes at Shanghai and plants a force of between 16,000 and 20,000 men here and Japan intervenes in Shantung and plants a large force there. Neither objects to the other's activities and they act together in stifling the Nationalist movement. If Britain and Japan do go back to the Anglo-Japanese Alliance as now seems probable, the Americans will have no other course than to reestablish commercial and diplomatic relations with Russia, for that will be the best practical way of offsetting an Anglo-Japanese combination in the Far East.

THE FETISH OF THE OLD CHINA TREATIES

SOME time ago the writer listened with great interest to a discussion pertaining to the question of treaty revision. The discussion was participated in by a number of foreign business men and missionaries and the consensus of opinion was that the "treaties should be revised—but not just yet," otherwise that the time had not yet arrived for revising the treaties. And while this discussion was going on the Chinese were actually engaged in revising the treaties to suit their own wishes, it being apparent to every foreigner in the room that there isn't a treaty in existence between China and the Powers which is worth a tinker's dam today. Here within the limited borders of the foreign settlements, extraterritoriality still prevails to the extent that foreigners are still tried in their own courts, but aside from that the Chinese are going ahead and revising the treaties on their own without reference to the wishes of the foreign treaty-worshippers in China. And the foreigners in China are flabbergasted because their home governments will not permit the use of their armed forces for compelling observance of the old treaties. Well, the reason for this situation is that practically all of the foreign Governments having treaty relations with China, have decided the question already and have made their declarations public, that the treaties should be revised. All of the Powers represented at the Washington Conference favored treaty revision and said so, and more, a serious effort was made to effect treaty revision. But something happened, as it always does when a number of nations try to get together, and nothing was done. In the case of the Washington treaties it was France which blocked the game for nearly four years. At the conference in Peking the honor was shared about equally by Japan, Great Britain and China.

THE reason for this is difficult to find but usually is due to the fact that private interests, or national interests, are able in one way or another to block the revision of treaties which the interests do not wish to have revised. In the case of France's delaying the ratification of the Washington treaties, persons familiar with international politics in the Far East have always believed that Japan was the 'nigger in the woodpile,' due to the fact that Japan stood to lose more by treaty revision, particularly the Chinese tariff, than any other nation due to Japan's large trade in 'cheap-goods' with China. But Japan at that time was in no position to face China's animosities, so Japan entered into a deal with France to do the job, the French probably obtaining Japan's support on some other deal in Europe, at the League, or somewhere, in exchange. The French not having much trade in China, were in a position to block treaty revision without much

fear of China adopting retaliatory tactics. At the Peking tariff revision conference all sorts of methods were adopted to block revision of the tariff, the delegate from one small power for example holding up the sessions for three weeks in an effort to obtain a low tariff rate on a certain product, the importation of which into China is almost infinitesimal. There is no particular use in citing further examples for everyone is familiar with the fact that international dealings are usually conducted on the low basis of the horse-trade, regardless of the fact that the traders wear silk-hats and Prince-Albert coats.

IF the Chinese are now proceeding on the theory that the only way to revise the treaties is to go ahead and revise them, they have had sufficient encouragement from foreign sources to take just this action. When the China treaties were up for ratification in the United States Senate following the Washington Conference, Senator Underwood who was chairman of the sub-committee which drafted the treaty, made the statement that in his opinion China had a perfect right to abrogate the entire tariff treaty at any time she wished. Then if the Chinese want still further encouragement they have Sir Austen Chamberlain's declaration of December 26 last in his Note to the Powers in which he says:

> "The British Government thus recommends that the Powers should immediately make it clear that they are prepared to go as far as possible in meeting the legitimate aspirations of the Chinese people and should abandon the idea that the economic and political development of China can only be secured under foreign tutelage and should declare their recognition of her right to enjoy tariff autonomy as soon as China has herself adopted a national tariff law. They should expressly disclaim any intention of forcing foreign control upon an unwilling China and should recognize the essential justice of China's claim for treaty revision—and should modify their traditional attitude of rigid insistence on the strict letter of treaty rights. During the possibly prolonged period of uncertainty the powers should adopt an expectant attitude and endeavor so far as possible to promote development in conformity with the realities of the situation so that ultimately when treaty revision becomes possible it will be found that part at least of the revision has already been accomplished on satisfactory lines. Therefore it is recommended that the policy of protesting over petty occurrences should be abandoned and diplomatic protests be reserved for major matters when vital interests are at stake."

A careful perusal of this declaration by Chamberlain as well as the later declarations of Chamberlain and Kellogg, will show that the Chinese have been encouraged by the highest possible authorities to go ahead and revise the treaties. Foreigners in China, however, still hark back to the old phrases "until a stable government has been established," and so on, but if China had to wait until she could convince a dozen nations that she had a stable government, she would be forced to wait at least another century for treaty revision. No one questions the instability of political conditions in China today but obviously the situation in China is little worse than conditions prevailing in many parts of Europe. And finally to refer back to Senator Bingham's declaration favoring immediate treaty revision, he states very frankly that conditions are disturbed and that certain protective measures will have to be applied by the United States for a considerable period in China, but since the Chinese generally believe that the so-called unequal treaties are the cause of their troubles, we might as well accept the situation as it stands and make the best of it by meeting their demands—providing we wish to continue to do business with the Chinese people.

CHINESE WHO LIVE INSIDE AND THOSE WHO LIVE OUTSIDE

ONE frequently hears the statement that if the Chinese were granted control, or even partial control, of the foreign settlements in China, that the settlements would immediately begin to deteriorate and ultimately would become no better places of residence than the purely native areas where the streets are narrow and dirty and modern sanitation is unknown. This certainly has not been the case at Tsingtao where the Chinese have had control for several years, visitors at that port not being aware, from outward physical appearances at least, that there has been any change from the time the city was controlled by the Germans or the Japanese. The same thing applies to the former Austrian, German and Russian concessions at Tientsin and Hankow. It probably is true that the municipal treasuries have been looted by avaricious officials and public utilities mismanaged similar to what often happens in 'civilized' countries, but the visitor from the outside would not know, if he were not told, which was the Chinese managed section and which the foreign. It is but natural that the Chinese, not having had the long back-ground of experience in modern municipal management which Westerners have had, would make mistakes. But the facts stand that the ex-foreign concessions have not gone to wrack and ruin under Chinese jurisdiction as many foreigners have forecasted and continue to forecast when they haven't other arguments for opposing China's demands for control, or at least a voice in the control of the foreign administered areas.

THE reason for this is not difficult to find and is due to the obvious fact that Chinese who reside in the settlements which foreigners have built up (out of profits derived from China) do so through choice and apparently find conditions in the foreign areas more satisfactory than in the purely Chinese administered areas. The Chinese who reside in the foreign areas and have their businesses and investments in the foreign areas, have no more desire to see these areas destroyed than have the foreign residents. A Chinese may live in a foreign concession because he finds it a safer place of residence than the adjoining Chinese administered section, hence it may be assumed that this same Chinese, should the concession be surrendered to Chinese control, would exert himself to see that life and property remained as safe under Chinese control as it was under the previous foreign control. Self protection is a primary human instinct which applies to all men, regardless of race. Therefore it is foolish to imagine that if the Shanghai International Settlement, for instance, was handed back to Chinese control, that it immediately would be given over to the forces of disorder to loot at will. The Chinese Ratepayers Association in the International Settlement, which has a membership of approximately 3,000 business and professional men, all of whom have qualifications for voting similar to the foreign

ratepayers, naturally would not want to see this city misgoverned and their business and financial interests prejudiced anymore than the foreigners who reside in and have investments in the Settlement. Just now the Chinese Ratepayers are fighting for the right to participate in the administration of the foreign area, basing their claim on the ancient right of NO TAXATION WITHOUT REPRESENTATION, and since the Chinese pay something like 70 percent of the taxes, no intelligent person questions the fact that the Chinese will win out, despite the stubborn and foolish fight which the Shanghai 'die-hards' are making. If the foreign administrators of Shanghai had ordinary intelligence they would welcome the cooperation of the Chinese in the administration of the Settlement, for thereby they would enlist the assistance of a large body of Chinese on the foreign side the next time trouble developed. At the present time the foreigners are handicapped because the Chinese are always against them, hence the matter of defense of the foreign area falls on the foreigners exclusively. If the directors of the International Settlement possessed even average intelligence they would quickly make a deal with the Chinese that would make the Chinese feel equal responsiblity with the foreigners in protecting the city against despoilation by the militarists and politicians. The trouble with the foreigners is that they are blinded by propaganda put out by a little crowd of high-salaried office holders and exploiters probably who would be displaced by equally capable but lowerpaid Chinese should the Chinese obtain a voice in the management of the city.

WHAT WILL BE THE EFFECT OF THE EXCISE TAXES?

THAT the new luxury taxes imposed by the Nanking government have caused consternation all round is putting the matter mildly. The complete schedules are published in another part of this issue of *The Review*. It will be noted that at the same time as the new schedule of increased customs duties goes into effect excise (internal revenue) taxes are to be imposed equal to what the respective articles manufactured would be taxed if coming from abroad. Whether or not these excise taxes are wise, or what the object of them is, remains to be seen. But one can easily see how they will affect certain establishments already in exisence. For example, if cigarettes from abroad are highly taxed and those made here could be manufactured without paying a similar tax, a great impetus would be given to the opening of new cigarette factories. But the taxing authorities probably figure it out that Chinese industry will be helped most by discouraging foreigners from establishing new factories and that for the time being, although in theory foreign and Chinese establishments, are taxed equally under the new excise regulations, in practice they will probably bear hardest on the foreign establishments and gradually squeeze them out. The nex taxes are to come into effect September 1 and much will doubtless be heard on the subject during the few intervening weeks.

THE DAY OF CHEAP "BOOZE" IN CHINA IS FINISHED

AMIDST the numerous howls to be heard in connection with the new luxury taxes is that of that very large percentage of foreigners in China who are fairly habitual users of alcoholic stimulants. Up until this time China has been the paradise of the tippler. Champagne from France, stout from Dublin, whisky from Scotland, beer from Pilsen, vodka from Russia, and schnapps from Holland could all be bought more cheaply in Shanghai than in the countries of manufacture. This came about by the very simple formula that they escaped, through exportation, the internal revenue taxes of the countries from which they were exported. The cost of transportation to the Far East, to which the small duty of five per cent was added here, made their cost over the bar here in Shanghai, and in other parts of China, cheaper than they could be bought for abroad. Now this happy and hilarious period of cheap "booze" is at an end. With a duty of fifty per cent instead of five as in the old days drinking in China will be the luxury that it is in Europe, although not so great a luxury as it is under the Prohibition regime in the United States, loosely as the laws in many large cities are enforced. In the meantime the Shanghai Municipal Council has exploded the old story that "Hongkew" whisky is made from wood alcohol. The laboratory tests of the Council show that this "fake" whisky is made from real alcohol, and the announcement issued on the subject by the Council states that there is a very cogent reason why this is so, namely that up until this time real alcohol has cost less in Shanghai than wood alcohol.

AMERICA'S IMMIGRATION LAWS CRITICIZED

CHINA, in common with all other Oriental countries, is greatly interested in America's immigration policy. That each country shall have the right to say who shall come into their country as permanent settlers is a fairly well established principle, and the day might come even during the lifetime of those now living when China, having in mind that a similar regulation had been enforced against Chinese by certain countries in times past, might enforce the payment of a head tax of say five hundred dollars (gold) on each foreigner desiring to stay for any length of time in the country. The grievance that China, in common with all other Oriental countries, has against America's immigration policy is that Orientals, as measured by the American labor standard and general standard of living, are an inferior people, and as such are to be excluded entirely. Japan, it will be remembered, was for some years bound by a "gentleman's agreement" not to allow the emigration of its subjects to the United States. This policy was abruptly put an end to by the U. S. Senate as a result of Ambassador Hanihara's unfortunate use of the expression "grave consequences." If Orientals were to be discriminated against generally, there was, of course, no particular reason why the Japanese should have been placed on a higher plane than other Orientals, as it gave the Japanese a chance to presume on their position in their relation with their fellow Orientals. But that America ought to treat Orientals on an equality with other nations is a matter that hardly needs argument. This would mean that Japanese, Chinese and Indians would be put on a quota basis, and even as a matter of expediency, considered quite apart from the question of justice, it would probably be a wise thing to do, as in the end probably fewer Orientals would enter the United States under just regulations than now are smuggled into the country in defiance of the exclusion laws.

EVENTUALLY America's immigration laws will doubtless be put not only on a juster basis but on a more sensible one. At present im-

migrants are admitted mostly on the principle of "first come, first served," the matter of fitness being a secondary consideration. Speaking on this point ta Ocean Grove, a new Jersey seashore resort, Governor Edward C. Stokes recently stated that America's immigration laws are "dangerous and destructive." "I do not believe in unrestricted immigration," he said, "but neither do I believe we should regulate immigration by an arithmetical formula. What we need is selected immigration, based on quality and not quantity. Our present immigration laws are dangerous and destructive. We try to Christianize the foreigner and then tell him that he, a Christian, is not fit to mingle with us. He thinks us hypocrites. Christ said, 'Come unto me,' We should be a little more friendly and a little more diplomatic, rather than insulting our friend. America is needed in the world today because of the break-down of the British Empire. Formerly the policeman of the world, this empire is now rboken up into separate Governments. We are going to have rebellions and wars unless America can take over the leadership and make the people of other lands good citizens of their countries. But we cannot do this by offending them."

RAILWAY OFFICIALS IN CONFERENCE AT PEKING

THE officials in charge of China's railways are between the devil and the deep sea. On the one hand they are ordered, or at least requested, by the Ministry of Communications at Peking, among other thing to pay their employees promptly and to reduce the freight raters. The Ministry in its "order" dated July 15 referred to the fact that "there are at least one hundred million people living within one hundred kilometres on both sides along the eight thousand kilometres of lines of the Chinese government railways, and these people are daily facing poverty and starvation." Acting on the intimation of the Ministry a Railway Conference was opened at Peking, July 25, two sittings being held on that day, and others on succeeding days. The Acting Minister General Chang Yin-huai, in his speech depicted the deplorable conditions the railways had fallen into as a result of excessive taxation and military interference. One of the concrete results of the first sitting was a resolution to petition Generalissimo Chang Tso-lin for a general reduction of transit tax rates and the simplification of the methods of collection. Just what real good the Conference will accomplish remains to be seen. Everybody seems to agree that military interference with the railways is the principal cause of the troubles that the railways are experiencing, but one fails to see how a conference of railway officers, deploring the state of affairs, is going to prevent the rival military factions from using the railways for their own ends whenever the "necessity" (as they see it) arises.

"FREE" IMPORT AND EXPORT OF SILVER

THE Ministry of Foreign Affairs of the Nationalist Government has issued a statement with regard to the recent shipments of silver from Shanghai to the North on board British warships. The Ministry denies that the treaties provide for the *free* importation and export of silver in the sense in which these words were used in a statement made in the British House of Commons recently. The Ministry points out that what the treaties provide is that there shall be no duty on the import and export of silver, but that is quite a different matter from stating that silver may be imported and exported independently of the wishes of the Chinese authorities. The Ministry argues that instead of the prohibition to export silver from Shanghai being illegal it is the action of the British naval authorities that was illegal. The Nationalist government's statements says: "Every government must have the right to decide such matters by consulting its own interests. It will be recalled that in 1926 England disallowed the exportation of coal. Hence, whether according to the treaties or by inherent right, the Nationalist government is perfectly justified in placing an embargo on silver. The use by the British authorities of vessels of war to break the embargo on behalf not only of its own nationals but of the nationals of other countries is regrettable. Such action can be defended not by the invocation of treaties but solely on the ground of superior force."

APPARENTLY MR. LITTLE DOESN'T LIKE THE NATIONALISTS!

MR. Edward S. Little, 'old-China-hand' who has retired on a pension, and hence hasn't anything else to do except write letters to the newspapers, recently sent a communication to the correspondence columns of the *North-China Daily News* in which he indicted the Chinese Nationalists on exactly 35 counts. We assume, after reading Mr. Little's communication, that he is quite heartily opposed to the Chinese nationalist movement, for in the last paragraph of his letter he declares that "*there is only one salvation for China and that is foreign intervention and control till the country again reaches sanity.*". We are going to reprint Mr. Little's 35 reasons for disliking the Nationalists a little further on in this column, but before we do so we would like to suggest to Mr. Little that he should go ahead and induce his British Government to intervene in China. Mr. Little and his fellow 'die-hards' have been preaching intervention for a long time, and finally succeeded in inducing the British Government to dispatch some 44,000 troops to these shores, but they have not intervened, at least to the extent that Mr. Little would wish. The troops sat around Shanghai for many weary months, then some of them were sent to Tientsin and now a good many have been sent back to India, and still there has been no intervention. If Mr. Little and his crowd keep on talking about 'intervention' they will finally convince the rest of us out here that Britain hasn't the 'guts' to intervene in China, alone, and that what the Shanghai 'die-hards' really want is for America to come in and do the intervening while the Shanghai Britons sit on the side lines and snatch out the chestnuts. Now we present Mr. Little's 35 examples of his own bad temper:

(1) They suppress newspapers who criticize them and thus completely kill freedom of the press.

(2) They do the same with speech—there is no freedom to say what is in the minds of men.

(3) They only permit to be repeated the parrot cries of utter nonsense which they learn from their Russian masters.

(4) The Leaders amass great wealth, so they do not lead for nought.

(5) The leaders make no sacrifice of their personal wealth or safety for the patriotism they so loudly proclaim.

(6) They levy heavier taxes than have ever been known before.

(7) There is no statement of how much they collect or how they spend or steal the sums squeezed from the people.

(8) The poor are oppressed as never before and prices are so enchanced that the unfortunate people starve and are ruined.

(9) They desecrate foreign graves, remove the bones, and, tying them to trees, beat them cursing them the while. The officials do not disapprove the acts since they are described as the work of ultra—enthusiasm and so must be overlooked.

(10) They murder their opponents at pleasure without any considerations of justice and often with torture before death.

(11) They loot without restraint.

(12) They seize and occupy foreign property without permission and without compensation.

(13) They planned a great outbreak accompanied by the murder of foreigners as revealed by Chinese students in America, which proves the plans were widely known.

(14) All civilized persons have had to flee from the areas occupied or about to be occupied by them.

(15) They everywhere turn order into chaos.

(16) The only peaceful places within their boundaries are those occupied and protected by foreign troops.

(17) They stir up class hatred and let loose the dregs of humanity.

(18) They ruin trade wherever they go.

(19) They wreck all public enterprises by appropriating their funds without regard to the consequences.

(20) In defiance of sacred Treaties they seize Concessions.

(21) They enter into solemn engagements with Western nations who have been foolish enough to trust their words and then at once repudiate their own pledges.

(22) They stir up racial hatred and incite hooligan mobs against foreigners instead of affording protection as they ought to do.

(23) They proclaim their intention of driving all foreigners from China, thus making their nation a pariah amongst the nations of the earth.

(23) They deal with all alike worse than the militarists whom they proclaim they have set out to destroy.

(24) They make abundant promises—to deceive the people—and then never carry out any of them.

(25) Nowhere do they give the people representation or any say whatsoever in the taxes they are called to pay.

(26) They undertake no constructive work anywhere.

(27) They are now falling out amongst themselves over the distribution of power and consequent plunder,

(28) They are ruining the country and their only policy is to destroy.

(29) They inaugurate and push boycotts against friendly Powers.

(30) They have given foreign Powers abundant occasions to declare war against them and fail to appreciate the conciliatory policy of the Western nations.

(31) They advance their cause not by fighting but by the encouragement of treachery and bribery.

(32) In Hankow they are doing their best to misappropriate the ex-British Concession funds.

(33) They have developed a militarism and a consequent oppression of the common people and the merchants far worse than any form of militarism yet seen in this country.

(34) The people ground under their tyranny hate them and long to be freed from their cruelty.

(35) They are the greatest scourge that has cursed this unhappy land since the time of the Taipings.

Madame Sun Not Allied With Nanking

In an interview with the Nationalist News Agency correspondent in Shanghai July 29, Madame Sun Yat-sen vigorously denied the many rumors and reports in connection with her recent departure from Hankow to the effect that this involved a transfer of her activities to Nanking.

"I am neither a traitor nor a chameleon," declared Madame Sun, "and I am having nothing to do with the Nanking crowd. Rumors to that effect are entirely without foundation. The only significance that can be attached to my coming to Shanghai is the fact that my house happens to be here. As I said in my statement of July 14, I will not identify myself with active party work until wise policies prevail among party leaders and until the Revolution is again being conducted along the lines laid down by Dr Sun Yat-sen.

Madame Sun particularly emphasized that she was "out of politics" for the present and was taking a much-needed rest as the result of her strenuous war relief activities in Wuhan.

"Due to my illness," she concluded, "I am not even seeing friends at the present time. As soon as I am well enough I am going to collect and arrange Dr. Sun's letters for publication."

Nationalists Begin To Collect Luxury Surtax

BY C. Y. W. MENG

THE matter of the customs tariff is purely a fiscal question. The right to regulate the tariff is important to any nation as it assists in guarding its integrity, of which no nation can be too jealous. This is true not because regulation of the tariff constitutes a part of the power of taxation—that is a part of the territorial right of a nation—but also because control of the tariff rate means the power to direct the economic development of a country.

The question of tariff autonomy bears most intimately upon a nation's sovereign rights. The power to fix her tariff is the inherent sovereign right of every independent nation, and there is no fully sovereign state in the world that has ever been deprived of her fiscal power. Way back in 1843 a great blunder was committed by the Chinese diplomats who negotiated treaties with the most aggressive and imperalistic nation of the west when they signed such treaties, as a result of which China lost her tariff antonomy. The year of 1843 therefore marked a new era in China's tariff history, inasmuch as it introduced in the new treaty a tariff which was uniform in the sense that both imports and exports were to be taxed at the same rate, and at the same time preferential in the sense that special privileges and immunities were given to foreigners but denied to the Chinese merchants. Failure to realize the seriousness of this has resulted in a loss of China's sovereign rights and a great loss of revenue to the Chinese exchequer. China has as a result been suffering from this more than three quarters of a century. She is now doing her best to do away with this restriction in her own way and at all costs.

Experience has convinced China that it is futile for China to call an international conference for the purpose of revising her tariff or to increase the tariff rate. Owing to the conflict of interests among the Powers, and their prevailing selfishness, it is foolish for China to expect tariff autonomy from an international conference. China used to get 3½% effective though the treaties expressly provided for 5 percent. It took China seventeen years to make it 4 per cent effective. It took China another seven years to make it 5% percent effective. In other words, despite repeated conferences, it gave China nothing more than 5 percent effective to which China was legitimately entitled from the beginning.

A more friendly feeling was shown at the Washington Conference when the participating Powers not only promised China to make the 5% duty effective but also permitted China to levy a surtax. The additional revenue from customs duties provided in the agreement would fall into four categories, as follows:

1.	Increase to 5% effective	Tls.	17,000,000.
2.	Surtax of 2½	"	27,000,000.
3.	Surtax not exceeding 5% on luxuries	"	2,169,000.
4.	Total additional revenue	"	46,167,000,

The additional revenue seems a considerable increase but when we remember that it is conditional upon the abolition of Likin which in 1918 amounted to Tls. 40,000,000, it will be seen at once that it is not sufficient to make up what China will have lost when she abolishes likin. It means China will still have to devise ways and means to make up at least a portion of her loss in revenue if she abolishes likin. For even with the increase in revenue, the main question of China's tariff autonomy remains untouched.

Despite the fact that experience shows convincingly that the best way for China to secure tariff autonomy, is to get it by her own efforts, it is not to be presumed that the collection of the surtax is any indication that such is China's way of gaining her tariff autonomy. On the contrary, she began to collect the surtaxes because, in the first place they were "sanctioned" by the Powers and, secondly, she has every justification and reason for doing so.

Justified in Collecting Surtaxes

It is clearly a fact that the present war in China should not be classified as an ordinary civil stuggle; it is fought for China and the Chinese and the military campaign now being conducted can only be carried on with sufficient funds. History has too often glorified military achievements more than their due, without giving sufficient credit to those financial geniuses who do not go to the front, but from whom the army draws its material support. General Chiang Kai-shek estimates that the military and other governmental expenses of the Central government exceed $14,000,000 per month, and in a view of the recent military development, this sum may exeed $20,000,000. The central government, with its yet imperfect machinery of collecting revenue, is evidently unable to bear this enormous burden. Where could and should the Nationalists derive further income?

Traditionally speaking, it has been a practice in China—which is rather unusual—that whenever she is in need of money she will just tax her own people and her own merchants, but foreign merchants in China have always been exempted. As a consequence, should there be increased internal taxes the greater would be the profit accruing to the foreign merchants. This explains why the foreign business men in China are always getting more and more prosperous while Chinese industries are generally paralyzed.

Now, we want to remind the foreign merchants that the old days are gone. Under the Nationalist control, it is no longer possible to have unilateral treaties. It is not possible for foreigners to enjoy some rights and priviliges which the Chinese themselves do not enjoy. We will also ask, or even force the foreign nationals who by their own volition have come to China, to pay the same amount of taxes as the Chinese do. It is no longer possible for them to be exempted from taxes which fall so heavily on the Chinese merchants. Should any one of them think that the rate is too high or arbitrary there is no other alternative for him than to leave China and to trade in some other place where he may enjoy such privileges.

For this reason, together with the other reason that the present war is fought for lofty aims, namely for the unification of China and emancipation of China, the Nationalists are justified in collecting the surtax even without agreement, or to increase the tariff rate without consent from the Powers. In fact, under such circumstances, the rate, especially on luxuries, should be raised as high as possible.

Foreign Objections

When the Luxury Surtax Bureau opened its office on July 4, the staff was quite busy, not only in giving information, but also in debating with foreign merchants who presented various arguments to show that it was "wrong" and "too quick" for China to collect the luxury surtax. And sometimes, they rested on the ground that that the table on luxuries is too "rough."

Experience has shown to China that every time the question of the increase of a tariff rate is proposed, the foreign chambers of commerce lose no time in lodging protests on various grounds with the Chinese authorities, but when these arguments are analysed, they are reduced to one point—that is, the increase may effect the foreign trade "adversely." Is there any country under the sun that would consider this as a valid reason for preventing it from exercising the right of taxation? Do not all tariff schedules the world over affect foreign importers adversely? In some countries, certain kinds of foreign trade are entirely ruined by adverse tariff rates, and it is often intended by the state which fixes the rate to have just this effect. Yet the foreign traders can not prevent the state from exercising its power. Foreign merchants may complain to their home government which may enact retaliatory measures against the offending states by practically excluding its goods from that state but this is the extent of their redress. Why then should the foreign merchants in China claim advantages which their fellow mationals in other parts of the world are unable to claim? Is it not because China is a weak nation and can easily be imposed upon by the Powers? The foreign merchants can not plead justice and right for they know quite well that in other countries they would have to pay the tariff rate fixed by those countries whether or not these rates were regarded as excessive or arbitary. The profit of the foreign merchants should not take procedence over China's right.

It may be "too quick," but in view of the present situation that China is in, and its long overdue increase of rate which was reached by the Washington Conference in 1922 but was not effected until 1927, this argument is quashed.

The luxury table may be "rough" but it is sufficient to say that it is beyond the human ability to make it satisfactory to all the greedy merchants. Should the foreign merchants not be satisfied with our interpretation, there is only one alternative, that is to withdraw their goods and to leave China.

A Different China

Let it be known that the China of today is quite different from that of some years ago. What was given to foreigners previously may not be permitted under the Nationalist government. Though China has not exercised her right of tariff-autonomy for about eighty years, and any increase in rate seems to be very surprising, yet she is beginning to exercise it now. Though it was provided by the Peking tariff revision conference that tariff autonomy should be restored to China on January 1929, China, for the above stated reasons, may enforce the national tariff law much earlier there this. A change of situation necessarily demands a change of relationship and mode of intercourse. It is up to China, not the Westerners, to dictate the terms on which relations should be permitted to exist. Lodging protests, no matter how vigorious they may be, will have only the effect of arousing a more pronounced national feeling among the Chinese and only tend to spoil the friendly feeling between the two peoples which has so long existed.

Will Hankow Re-Capture Canton?

BY F. K. WU

A DARK cloud hangs over Canton as the relations between Nanking and Hankow become more and more strained. Canton has heard rumors of impending changes. The latest event was the throwing of a bomb at General Li Tsai-hsin, the military chief, which, however failed to hurt him.

South China claims the distinction of being the Nationalist center and the breeding ground of revolution. It was a scene of great activity, with officials dashing up and down the city in automobiles; until the Nationalist Government moved its headquarters to Hankow. The Southerners at that time thought that the gentlemen of politics and of the arts of war were leaving Canton for good and would eventually rest comfortably in the Peking hutungs. Then came a period of calm when the Cantonese tried their very best to forget such high sounding slogans as "National Revolution", "Down with imperialism", "Take back Hong Kong" and to re-continue their "business as usual" under normal condition.

Labor agitators became less and less bombastic. The so-called anti-Red coup on Good Friday cleared all the reactionary workers, and thousands of them are still under lock and key. Mr. Business Man, not without good reason, believed he had heard enough of civil war and labor disputes in the South, but, awakening one morning, he finds that the Hankow leaders are making a determined effort to re-capture Canton.

Evidently the gentlemen in Hankow feel that it gives more relief to their consciences to carry on revolutionary work in Kuangtung than in Hupeh. The latter was for a long time under the misrule of mediaeval Wu Pei-fu, and perhaps the simple minded folks there are not so capable of understanding the "Three People's Principles" of the twentieth century Sun Yat-sen as their more advanced compatriots in Kuangtung.

Hankow Hemmed In

However, the real reason appears to be that Hankow is hemmed in by enemies on all sides. It wants to get to the sea instead of being enveloped in Central China. Peking is still far away with Japanese troops vigilantly guarding all strategic points. Shanghai taipans appear loyal to Chiang Kai-shek. Hence, Canton appears be the most desirable outlet.

Kiangsi and Hunan, which come under the Hankow regime, are close to Kuangtung. General Chen Chia-yao of Hunan has undertaken to attack Kuangtung, taking advantage of the lack of trained soldiers to protect the province. General Chu Pu-teh of Kiangsi will also lead his army to co-operate with General Chen. Fighting is now going on in the border. General Chien Ta-chun, right hand man of Chiang Kai-shek, suffers constant defeat at the border while General Li Tsai-hsin's best division is led by General Chang Fa-huei, who keeps his "Ironsides" in Hankow. Therefore time is opportune for the Hankow party to regain their influence in Canton.

However, Marshal Chiang Kai-shek has no intention whatever to give up rich Kuangtung. The province is capable of yielding $13,000,000 per month. But he is too far away and needs his troops to carry on the fight against the North and West.

Will There Be Another Boycott?

General Li Tsai-hsin normally takes orders from Nanking but he wants Kuangtung for himself. The workers and radicals hate Li because of his suppression of labor and want to dispose of him by a bomb. Realizing his insecurity General Li has strengthened his hold with the forces of General Fan Shek-sang of Yunnan. But Fan is not a trustworthy man and may throw in his lot with the Hankow army when it approaches Canton.

It seems to be a question of time with regard to the return of Wang Ching-wei, Sun Foo & Co. Being Cantonese they are anxious to return to Canton. Mr. Eugene Chen will not remain alone in the Yangtsze Valley when the Canton River is equally fertile for the development of his rhetorical mind.

Canton will revive its past activities upon the return of these Kuomintang officists. In this event, the dignified Consuls in Canton will have less time to play golf or bridge. Such anticipation already causes sleepless nights to Hong Kong merchants, and the question most discussed there is "Will there be another boycott?"

Hongkong, July 25, 1927

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Huge Increases In Duties, Excise Taxes And Tonnage Dues

THE principal topic of discussion in foreign business circles in Shanghai at present is the tariff schedule of luxuries which the Nationalist government issued recently, to come into effect September 1. On the whole, the schedules have been drawn with a master hand, and the result is that articles consumed by foreigners generally are the ones that have been mostly picked out for extra taxation. It also happens that among all foreign articles, it is American products that are hit most heavily.

Not only has the schedule itself been cleverly drawn, but the method of collection and allocation of funds has been devised most adroitly. In effect the Chinese say to the foreigners: "You keep on collecting the old five per cent. You will want that to protect your investments and to secure your indemnities. Very well, we will not interfere with that. But everything over and above that we are going to dispose of as we think fit."

Just as a prominent financier said in the United States when the subject of the resumption of specie payment came up some years after the Civil War, "The way to resume is to resume," so the Chinese have taken the bull by the horns, and say: "The way to get the tariff rates increased is to start in collecting them." To use a slang expression, the Chinese—and in this all the various factions are about alike—have "got away" with a great deal in the last few years, calmly going ahead breaking the provisions of the old treaties and imposing new taxation, blandly assuming that the foreign governments, not being able to agree among themselves, would quietly sit by and let things take their course. So it has proved up until this time, and so it will probably continue.

The air has been full of protests of all kinds during the past few months. The foreigners have protested about this and that and the Chinese have protested about that and this. But the things that the foreigners have been protesting about are those that vitally concern the pocket book, whereas the things the Chinese have been protesting about concern largely matters of prestige—or in other words, "face."

When one looks at the schedule of luxuries which the Nationalists have issued one is reminded of the story about the old lady in India who wanted to bring a turtle into the passenger car. The conductor scratched his head and demurred a bit. Dogs, he knew, were not admitted. There was a special compartment for dogs, and into that went all sorts of pets. He soliloquized thus: "Dogs is dogs, and cats is dogs and monkeys is dogs. But turtles is fish, and there is no regulation against fish. Madame, you can take in the turtle." Similarly in Chinese tariff schedules, shoes are luxuries, wall papers are luxuries, umbrellas are luxuries, motor cars are luxuries, and scores of similar things are luxuries; the difficult thing is to find something that is not a luxury.

The schedule of luxuries is divided into three parts. Class A pays 15 per cent, B, 25% and C 57½%. By far the longest list is Class B. Class C. is short, and without going into details it covers all kinds of tobacco and intoxicating liquors.

These taxes are in addition to the old schedule of five per cent. All ordinary articles, not included in any of the luxury schedules, will be taxed an additional seven-and-a-half per cent. (additional to the old tariff rate of five per cent) making 12½ per cent. in all.

Excise Duties Same As Tariff

Coincident with the issuance of the new tariff schedule, the Nationalist government has issued a law on excise duty, the essential feature of which is that on all goods manufactured in the country an excise duty is to be paid, by both foreigners and Chinese alike, equal to the customs duties on such articles when imported.

The following is a translation of the new excise law.

1. An excise duty shall be paid on all goods manufactured by Chinese and foreign factories located within the territories of the Republic of China.

The word "factory" in the preceding section shall be construed to mean a factory in which the machinery is driven by electric, steam, or hydraulic power and in which ten or more workmen are employed.

2. The rates of the excise duty shall be the same as the corresponding rates of the customs import duty on goods of the same nature and description. The duty is payable in the national currency.

3. The rates of the excise duty on goods which are not enumerated in the list of customs import duty shall be the same as the corresponding rates of the customs import duty on similar articles, and shall be calculated on the basis of the wholesale prices of such goods.

4. The excise duty shall be collected by special excise collection bureaux created by the Ministry of Finance in the different provinces.

5. Goods on which the excise duty has been paid in full shall be exempt from further taxation within the country.

6. If any duty has been levied on raw materials for the manufacture of goods on which excise duty has been paid in full, the duty paid on such raw materials shall be refunded. The basis and procedure for calculationg the amount to be refunded shall be fixed by special regulations.

7. When goods on which the excise duty hae been paid in full, are exported to foreign countries, the exporter may surrender to the customs authorities at the port of exit the transportation permit as specified in Article 9 in exchange for an export permit, free of export duty.

The excise collection bureaux shall have the right to inspect the manufacture, warehousing, as well as entry and exit of goods in all factories located within their respective administrative jurisdiction. Any factory which fails to declare or declares falsely any goods shall be liable to a fine not exceeding ten times the duty payable on such goods. If any criminal act is thereby committed, the offender may be handed over to the judicial authorities to be dealt with accordingly. Except as otherwise provided in Article 10 concerning goods transported from factories to their own warehouses or to those specially designated by the competent excise collection bureau, no goods may be transported out of the factories without having previously obtained a transportation permit which is issued in exchange for the excise duty certificate showing that the excise duty on the goods has been paid in full. Such certificate is issued by the competent excise collection bureau upon notification by the factories concerned and after examination and appraisal by officers designated by the said bureau. With regard to goods transported from the factories to their own warehouses or to those designated by the competent excise collection bureau, the collection of the excise duty may be deferred until the goods are removed from the warehouses, in which case a transportation certificate is issued before the removal upon payment in full of the excise duty; provided that before transportation from the factories a warehouse certificate is obtained from the competent excise collection bureau upon notification by the factories concerned and after examination by the officers designated by the said bureau. Goods which are transported out of the factories or warehouses in contravention of the provisions of Article 11 and 12, or on which the excise duty has not been paid in full, shall be confiscated upon discovery.

The transportation certifiicates shall be issued in triplicate by the Ministry of Finance and sent to the various excise collection bureaux to be filled in and stamped by the latter. Of those triplicates, the first portion shall be filled with the excise collection bureau, the secomd shall be kept on file and remitted each month to the Ministry of Finance; the third shall be retained by the transporter.

Any merchant who considers as illegal any ruling or order of the excise collection bureau or is dissatisfied with the interpretation of the provisions of the laws concerning taxes, may pay the excise duty under protest, and may petition for relief according to law.

Any merchant who is dissatisfied with the determination of the nature of the goods or appraisal of the value thereof made by the excise collection bureau, may lodge a protest with the said bureau, wherupon an Appraisal Commission shall be constituted to decide the matter. The detailed regulation for the enforcement of this Law shall be issued by the Ministry of Finance.

This law shall come into force on the first day of September of the sixteenth year of the Republic of China.

Still Heavier Tonnage Dues

The worst blow of all is the announcement that the already extortionate tonnage dues—particularly unjust to all shipping plying between foreign countries and China—are to be raised by fifty per cent. This increase is being made the subject of an emphatic protest, particularly by the American shipping companies.

The tonnage dues in Shanghai are exceptionally high. The legititimate reason for this is that Shanghai is a port which requires expensive dredging and maintenance operations. But the main objection to the tonnage dues is the schedule by which they are collected. This schedule was put into effect in 1854 and has never been revised since. If there ever was a

(*Continued on page 250*)

THE NAME-CHANGING CRAZE

The craze first struck Russia. *Now it strikes Turkey.*

And probably Italy before long. *It will soon hit China.*

—McCutcheon in the Chicago *Tribune*

New Capitals Supplant The Old

China has at present three "capitals." Peking is the old Manchu citadel, where Generalissimo Chang Tso-lin holds sway. Nanking is the headquarters of the Chiang Kai-shek faction, and Wu-han, (a combination of the three cities of Hankow, Wuchang and Hanyang) is the centre for the more radical wing of the Nationalist group.

It will be interesting to note what some other countries have done in the way of changing capitals. Australia furnishes the latest example.

Although the road is bound to be a long one, and although the problems and trials are sure to tax the courage of those responsible for the project, Australia has fairly launched upon the building of a model city—more than that, the building of a model capital, literally from the ground up. Canberra, laid out in the bush, besides representing a bold experiment in urban planning, is the new seat of Government. It was dedicated as such on May 9, with ceremonies in which the Duke of York and Melba, the famous singer, figured.

Constructing capitals from the ground up has precedents, though it is an adventure by no means common. For the most part countries have been content to set up their Government in cities already established—usually big cities with well developed trade facilities. Paris, Berlin and London are good examples. Two of these cities, it is true, are inland capitals, without ports; but they are important railroad centres, besides being huge centres of population.

It would appear that Rome, the new Imperial Rome as visioned by Mussolini, is moving, in a way toward the same modern ideal operating elsewhere. Modern Rome is the capital of Italy not because she is a great commercial center but because of her political past. This sufficiently approaches an abstraction to conspire toward an ultimate realization of at least some of Mussolini's dreams—besides which the present topography of the town invites reconstruction of the new progressive sort.

Washington has been taken as a model by some of the new capiatl planners of the world. Its problems and accomplishments have been closely studied by those who are interested in the subject. When Russia's Capital was moved from Moscow it went into a swamp, where it had, at first, to be perched on stilts. Out of the swamp grew St. Petersburg—which has since been twice renamed, and now the Bolshevist rulers of Russia have abandoned the city for Warsaw. Brazil is at present contemplating a move involving plans somewhat similar to those that are being worked out in Australia. Rio, now the capital of Brazil, may one day find itself merely a great commercial city, if the project of moving the Federal seat inland to a spot in events at home and abroad; a place free from the tumult and distraction of a huge cosmopolitan city like Rio de Janeiro.

In the meantime what will China do?

News Brevities

The Shanghai tea merchants, according to the Chinese press, have appealed to the authorities to set aside the assets of the Compagnie Orientale de Capitalization for the purpose of refunding money invested by tea merchants, whose losses in this connection are stated to be not far short of two hundred thousand taels.

The National City Bank of New York's July review of economic conditions in the United States stated that business at the turn of the half year was moving in good volume, though with indications of unevenness here and there, which reflected the presence of retarding agencies.

Mail reports to hand from Honolulu show that the Institute of Pacific Relations held there during the latter half of July proved to be an unqualified success. Chinese subjects loomed largely in the discussions.

Schedule Of Luxuries Appended To Article 4 Of The Provisional Law On National Import Tariff

Class A pays an additional tariff of 15% Class B pays an additional tariff of 25% Class C pays an additional tariff of 57½%

List Item No.	Import Tariff No.	Class	Name of Articles	Remarks
1	Part of 582.	A	Silver Watches.	This item is included in 582 (Unenumerated Goods.
2	Part of 582.	A	Flasks (pocket), and Thermostatic Containers of all kinds, and parts or accessories thereof.	This item is included in 582 (Unenumerated Goods.
3	Part of 582.	A	Games and Sporting Requisites, except playing cards.	This item is included in 582 (Unenumerated Goods).
4	Part of 582.	A	Photographic and Cinematographic Products, Apparatus, and Materials of all kinds (except Chemicals), and all other Paraphernalia used in connection with the taking, developing, or exhibition of pictures, and all parts or accessories thereof.	This item is included in 582 (Unenumerated Goods).
5	Part of 582.	A	Typewriters, Calculating Machines, Cash Registers, Copy Presses, Duplicating Machines, and all other Office Machines.	This item is included in 582 (Unenumerated Goods).
6	Part of 582.	A	Electro-plated Ware; Hair Cutters, Knives, Razors, Scissors, and all other Cutlery and parts or accessories thereof (not including Tools).	This item is included in 582 (Unenumerated Goods).
7	Part of 582.	A	Safes, Cash Boxes, and Strong Room Doors.	This item is included in 582 (Unenumerated Goods).
8	Part of 425 to 430; 431; Part of 433 to 437; Part of 439 to 441; Part of 433 to 444; Part of 582.	A	Furs, Dressed or Tanned.	(a) Numbers from 425 to 430, from 433 to 437, from 439 to 411, & from 443 to 444 contain this item.
9	448, 460, Part of 582.	A	Animals' Teeth and Tusks, but excluding Ivory of all kinds.	582 (Unenumerated Goods) includes unenumerated Animals' Teeth, and Tusks.
10	479, 480, 486, 489, Part of 582.	A	Fragrant Wood, Scented Wood, Garoo Wood, Sandalwood, and all other Odoriferous Woods.	582 (Unenumerated Goods) includes unenumerated Fragrant Woods.
11	216, Part of 582.	A	Macaroni, Vermicelli, Spahetti, and similar Products.	This definition includes Part of 582 (Unenumerated Goods).
12	224, 263, 265, 277, & Part of 582.	A	Fresh Fruits.	
13	307.	A	Aerated Waters.	
14	Part of 528, 537, 553, 558, 559, Part of 582.	B	Amber, Pearls, Tortoiseshell, Agate, Coral, Cornelian, Rock Crystal, Diamonds, Emeralds, Opals, Red Quartz, Rubies, Sapphires, and all other Precious or Semiprecious Stones, real or imitation, and all articles made wholly or partly thereof or decorated therewith.	This definition includes part of 528 (Jewellery Buttons) 537 (Umbrellas and Sunshades with Handles wholly or partly of Precious Metals, Ivory, Mother-of-Pearl, Tortoise-shell, Agate, etc., or Jewelled), and part of 582 (Unenumerated Goods).
15	Part of 582.	B	Jewellery of all kinds, real or imitation.	This item is included in 582 (Unenumerated Goods).
16	Part of 582.	B	Platinum and White Gold, and all articles made wholly or partly thereof.	This item is included in 582 (Unenumerated Goods).
17	Part of 582.	B	Goldware (Solid, filled, rolled, plated or washed).	This item is included in 582 (Unenumerated Goods).
18	Part of 582.	B	Metallic Foil or Leaf of all kinds.	This item is included in 582 (Unenumerated Goods).
19	Part of 582.	B	Watches with cases made wholly or partly of platinum, or gold; or of silver decorated with jewels.	This item is included in 582 (Unenumerated Goods).
20	Part of 582.	B	Silverware and Silver-plated Ware.	This item is included in 582 (Unenumerated Goods).
21	Part of 582.	B	Ornaments, Damascene Ware, Ivory Ware, Satsuma Ware, Lacquer Ware, Pictures, and all Decorative, or Ornamental Articles whether for personal, household, or other use.	This definition includes part of 528 (Buttons, Fancy Glass, Jewellery, etc.), and part of 582 (Unenumerated Goods).
22	Part of 582.	B	Curios and Antiques.	This item is included in 582 (Unenumerated Goods).
23	Part of 582.	B	Works of Art, such as Etchings and Engravings, Paintings, Drawings, Statuary, Sculptures, and or copies, replicas, or reproductions thereof.	This item is included in 582 (Unenumerated Goods).
24	Part of 582.	B	Bells and Gongs.	This item is included in 582 (Unenumerated Goods).
25	Part of 582.	B	Musical Instruments and parts or accessories thereof.	This item is included in 582 (Unenumerated Goods).
26	Part of 501.	B	Glass Ware, "Crystal" and Semi-crystal", Cut and or polished (i. e., all articles made wholly or chiefly of glass, except common, coarse, moulded or pressed, unpolished glassware).	This item is included in 501 (Glass and Crystal Ware).
27	570, Part of 582.	B	Satchels, Card Cases, Pocket Books, Purses, Jewel Cases, Fancy Boxes, Portfolios, Trunks, Suit Cases and Travelling Bags or Boxes of all kinds; Walking Sticks; Tobacco Pouches and Pipes and parts thereof; Cigarette Holders and Cases, Match Boxes, and other Smokers' Requisites and Tobacconists' Sundries.	(a) 570 (Leather Purses) is included in the work "Purses." (b) Part of 582 (Unenumerated Goods) contains this item.

28	Part of 582.	B	Toilet Articles, Preparations, or Requisities, such as Perfumery, Cosmetics, Shaving Soap, Face Cream, Tooth Paste, Talc or other Toilet Powder, Hair Tonic, and all other preparations for the hair, mouth, teeth, skin; Sponges, Toilet Brushes, Combs; Manicure Sets or parts thereof, Powder Puffs or Cases, and all other Fancy Toilet Equipments.	This item is included in 582 (Unenumerated Goods).
29	Part of 582.	B	Arms and Ammunition for personal or sporting use.	This item is included in 582 (Unenumerated Goods).
30	Part of 582.	B	Motor Vehicles of all kinds (assembled or in parts), including Motor Cycles, Motor Cars, Motor Chassis, and all other Motor Vehicles not otherwise specified, and all parts, tires, and other accessories for any kind of Motor Vehicles, but not including complete Motor Passenger-Vehicles (i. e., Motor Char-a-banc, etc.) with seat for not less than eight passengers, or complete Motor Trucks or Motor Lorries over one ton carrying capacity.	This item is included in 582 (Unenumerated Goods).
31	67, 68, Part of 74, Part of 582.	B	Natural Silk in any form including Silk Piece Goods and all other products which consist wholly of Natural Silk.	This definition includes Part of 74 (Silk Ribbons) & Part of 582 (Unenumerated Goods).
32	69, Part of 582	B	Imitation Fur Cloth except that made of pure cotton.	(a) 69 (Silk Seals, with cotton back is an imitation of Seal Fur and is considered as an Imitation Fur Cloth. (b) This Item is also included in 582 (Unenumerated Goods).
33	Part of 70, Part of 582. As to other tariff numbers, it is understood that any other products whether specified in the Import Tariff or not, if of such nature or for such a purpose, that it is covered by the definition as given for this item is to be included.	B	Upholstery Fabrics, (i. e. Furniture Plushes, Velvets, and Tapestry made of any material; Unenumerated Upholstery Fabrics not made entirely of cotton; Upholstery Trimmings such as Braid, Cord, and other fancy goods made of any materials).	Part of 70 (Mixture Plushes and Velvets), part of 582 (Unenumerated Goods), and any other tariff numbers, if for Upholstery purposes, are included in this definition.
34	Part of 554, Part of 582.	B	Curtains, Window Blinds, and Hangings of similar nature.	This item is included in 554 (Bamboo Baskets, Bamboo Blinds, and other Bamboo-Ware) and 582 (Unenumerated Goods).
35	84, 550, 552, Part of 582.	B	Real or Imitation Gold, Silver, or other Metallic Thread (on cotton, silk, or other material); Spangles, Tinsel & Tinsel Wire, & all other Trimmings and Trimming or Decorative Materials, metallic or other, except those made wholly of cotton; Lace, Edging, Insertion, Veilings and similar Nettings, Millinery, Braid Embroidered Goods, and all other materials or products used for decorative or ornamental purposes, except those made wholly of cotton; and all articles made wholly or partly of any commodity mentioned in this item or decorated therewith.	This item is also included in 582 (Unenumerated Goods).
36	74,577, Part of 582.	B	Boots and Shoes, Hats and Caps, Hoisery, Drapery, Haberdashery, Clothing, & all other articles of personal wear & parts or accessories thereof (except Cotton Underclothing stitched with silk thread and or faced with silk or artificial silk, cotton socks and stockings stitched or embroidered with silk and any goods made entirely of cotton).	(a) 74 (Ribbons, all silk & Mixtures) is included in the term "Haberdashery."
37	539, 540, Part of 582.	B	Umbrellas, Sunshades, & Parasols.	582 (Unenumerated Goods) included Unenumerated Umbrellas, Sunshades, & Parasols.
38	570, Part of 582.	B	Leather Manufactures of all kinds, except Leather Belting for Machinery.	This item is also included in 582 (Unenumerated Goods.
39	449, 450, 451, Part of 582.	B	Feathers, & all articles made wholly or partly thereof.	Part of 582 (Unenumerated Goods) is included in this definition.
40	Part of 417.	B	Wall Paper.	This item is included in 41 Paper, (Unenumerated).
41	231-233, 248, 249, 446, 456-459, Part of 582.	B	Ginseng, Cow or other Bezoar, Old & Young Deer Horns (i. e., Medicinal), Rhinoceros Horns, Musk, Camphor of all kinds, including Camphor Baroos or Borneols, real or imitation.	This item is also included in 582 (Unenumerated Goods).
42	199, 200, Part of 582.	B	Birds' Nests.	582 (Unenumerated Goods) includes any Birds' Nests that may not be covered by 199 and 200.
43	203, 207.	B	Awabi.	203,207 (Unenumerated Canned Goods).
44	183, 184.	B	Fish, Maws.	
45	Part of 207, Part of 582.	B	Meat Extracts.	(a) 207 (Canned Goods, Unenumerated) includes Canned Meat Extracts. (b) Part of 582 (Unenumerated Goods) contains Meat Extracts in any other packing.

46	194, 195.	B	Sharks' Fins.	
47	461, Part of 582.	B	Sinews, Animal.	This item is also included in 528 (Unenumerated Goods).
48	Part of 582.	B	Playing Cards.	
49	202, Part of 582.	B	Asparagus.	582 (Unenumerated Goods) includes Asparagus in any other packing.
50	196, Part of 207, Part of 582.	B	Bacon and Ham.	207 (Canned Goods, Unenumerated) includes Canned Bacon & Ham & 582 (Unenumerated Goods) includes Bacon & Ham in any other packing.
51	198, Part of 207, Part of 582.	B	Beef, Corned or Pickled.	207 (Canned Goods, Unenumerated) includes Canned Beef, Corned or Pickled & 582 (Unenumerated) Goods) includes Beef, Corned or Pickled in any other packing.
52	Part of 582.	B	Biscuits.	This item is included in 582 (Unenumerated Goods).
53	Part of 207. Part of 582.	B	Caviare.	(a) 207 (Canned Goods, Unenumerated) includes Canned Caviare. (b) 582 (Unenumerated Goods), contains Caviare in any other Packing.
54	201, 215, 217, Part of 582.	B	Cheese, Butter, Lard, Margarine, & Substitutes thereof.	(a) 215 is "Lard, in Bulk." (b) This item is also included in 582 (Unenumerated Goods.)
55	208-210.	B	Chocolate, Cocoa, and Coffee (in any form).	
56	Part of 582.	B	Confectionary.	This item is included in 582 (Unenumerated Goods).
57	205, 211, 212, 255, 257, 258, Part of 263; Part of 582.	B	Fruits, Dried or Preserved.	205 (Fruits, Table and Pie) Part of 263 (Olives) and Part of 582 (Unenumerated Goods) are included in this definition.
58	213.	B	Honey.	
59	202, 205, 207, 212, 214, Part of 582. As to other tariff numbers, it is understood that any products which is covered by the definition as given for this item is to be included.	B	Jams, Jellies, and Canned or Bottled Foods of all kinds except Cream Milk.	(a) 202,212, and Part of 582 are inserted, because 202 is Canned Asparagus, 212 (Fruits, Preserved in Glass, etc.) is included in the words "Bottled Foods" in this definition and 582 (Unenumerated Goods) includes Unenumerated Bottled Foods) (b) This definition is held to include all Canned or Bottled Foods not specially excluded irrespective of whether the tariff numbers are given here or not.
60	395, Part of 582.	B	Oil, Salad or Olive.	582 (Unenumerated Goods) includes Oil, Salad or Olive in any other Packing.
61	Part of 582.	B	Sauce and all other preparations, extracts, or substance for flavouring good (except Soy).	This item is included in 582 (Unuenmerated Goods).
62	281.	B	Sugar, Cube and Loaf.	
63	282.	B	Sugar, Candy.	
64	Part of 582.	B	Syrup, Table.	This item is included in 582 (Unenumerated Goods).
65	Part of 582.	B	Syrup, Fruit.	This item is included in 582 (Unenumerated Goods).
66	222.	B	Tea.	
67	223, 236, 237, 243-5, 262, 267-8, Part of 582.	B	Aniseed Star, Cardamons, Cloves, Nutmugs, Pepper, and all other Spices and Condiments.	Part of 582 (Unenumerated Goods(includes all Spices and Condiments not specified in the Import Tariff.
68	308, 309.	C	Cigars and Cigarettes.	
69	310, 312.	C	Tobacco, Prepared; and Snuff.	
70	283 to 306. Part of 582.	C	Wines, Spirits, Liqueurs, Ale, Beer, Stout, Porter, Cider, Perry, and similar Liquors made of fruits and berries; and all other Alcoholic or Spirituous Liquors or Beverages.	582 (Unenumerated Goods) includes Unenumerated Wines, Spirits, etc.

The Foregoing "luxury" rates are in addition to the regular 5 per cent advalorem rates.

(*Continued from page 248*)

group anywhere in the world that looked out for No. 1 it certainly was the "old China hand" group. Every regulation and every tax was devised to enrich the group on the spot at the expense of the general welfare not only of their own countrymen at home but at the expense of the Chinese. This principle was applied to the collection of the tonnage dues in this wise: The year was divided into three parts, and a payment is made only once during four months and this covers any number of entries during said four-month period. This results, of course, in the coast and river boats being entitled to make, and making, many entries for one payment, whereas the average ship engaged in foreign trade will usually not be able to get in more than one round trip abroad and back to China for its four-months payment.

Even without the extra fifty percent which the Nationalists are demanding China collects tonnage dues to the equivalent of Mex. 1.80 per ton, as against Japan's Mex. 0,15, America's Mex. $0.67, or India's Mex $1.22. Now that the Nationalists are clapping, or attempting to clap, fifty per cent on top of this the shipping companies running boats across the Pacific and to Europe are up in arms, particularly the Americans, and vehement protests are being sent to Washington on the subject. It is said that the shipping companies are urging the Washington government to notify the Nationalists that unless the extra dues are withdrawn the American Consulates in China will be authorized to clear American ships without reference to the Chinese customs, the Consulate itself collecting the dues, ostensibly with the object of handing them over to the Chinese later on.

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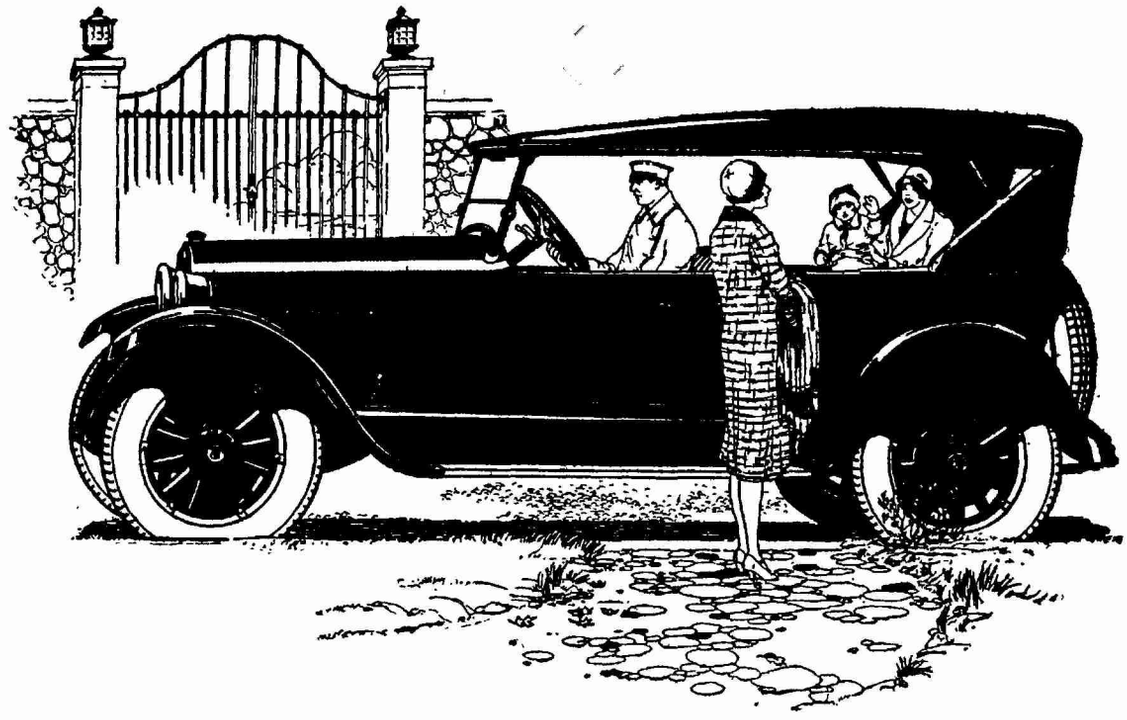

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The Dragon Motor Car Co., Ltd., 3 Wong Nei Chung Road, Hong Kong
The L. E. Gale Co., Ching Ming Building, Hankow
E. W. Frazar & Co., 13 Rue de Paris, Tientsin

41-331

Shall We Leave China to Herself?

BY W. W. STOUT,

(Reprinted from Home and Foreign Fields, a Missionary Publication)

DURING the disturbances of the last few months in China one constantly hears such expressions as, "Let Americans stay at home and mind their own business," "All this comes of forcing our ideas on the Chinese," etc. I do not think that it is due to an oversensitiveness on my part that in such remarks there generally seems to be an implication that any "entangling alliances" we have with China are due to the Foreign Mission enterprise, that the presence and activity of our navy in China at the present is due largely, if not solely, to the presence of a lot of fanatics who do not know where they belong. It is often assumed that the missionaries and the missionaries alone are trying to force on China the ideas of civilization which her people despise and the introduction of which her people resent. Many have gotten the idea that a large part of the present disturbance is due to such resentment which has been smouldering in the breasts of the Chinese all these years and is just now showing itself.

The truth is that the work done through the missionary enterprise is only a part of the total impression made on China by the Western world. Christianity has not been allowed to reach the Chinese unalloyed. The total impression made by Western civilization has been called an amalgam of which Christainity is only a part. To a somewhat less extent this may be said of the American influence. Some of the other elements in the making of this impression are as follows:

1. *American Business.* If we were to consider only the men and capital involved, missionary work looks rather small in comparison with the volume of our commercial enterprises. The traveler away in the interior of China is constantly confronted with familiar advertisements of familiar American products. The trademarks are often recognizable though modified by the substitution of Chinese characters for English words and of a Chinese for an American person, as in the case of the lame-backed sufferer in the Doan's Kidney Pill advertisements. This advertising is done through native papers, on calendars, by posters on the walls of private homes, business houses, venerable temples and the massive old city walls. In addition to these methods, American style billboards are erected along the highways and about the city gates. Some of the most common products advertised are Standard Oil, Singer Sewing Machines, Palmolive and Colgate soaps, patent medicines, Eagle Brand Condensed Milk, and, near the big cities, Sunmaid Raisins; and probably as much as all others combined, cigarettes. This enormous amount of advertising is indicative of the business carried on. American farmers are also finding in China a market for their surplus.. We now buy Washington and Oregon flour in our interior city, while carts loaded with cotton from the Southern States constantly pass our home.

2. *Styles.* The external and even superficial evidences of our Western life are seen everywhere in China. Foreign hats and other articles of wearing apparel and the like are known as "civilization hats," "civilization canes," etc. The general stores carry a large amount of goods, the sale of which depends largely on new ideas and styles. China is grasping at the external things of Western life. It is the custom in China to burn at the graves of the departed paper horses, sedan chairs, chairbearers, etc., for the use of the deceased in the other world. Recently I have seen paper automobiles and railroad trains used for the same purpose.

3. *Foreign Literature.* The language of China is undergoing an astonishing change. In the old classics the literary style became crystallized into a form which is unsuitable for the expression of the great stream of ideas pouring into China from the outside. Great Chinese scholars find themselves helpless when they read the books that are constantly being published unless they keep up with new currents of thought. The language is being transformed by new ideas and technical expressions are expressed through it. Another great movement is the National Language movement which aims at unifying the language and developing a literature based on the language the people speak. This new literary language has not yet taken very definite form and impressive standards of style will be established only as great Chinese authors arise. At present the man who is universally looked up to as the great writer of China and who is doing more than anyone else to create definite literary standards is bending his energies largely to the introduction of foreign classics. These are translated into a style worthy of their greatness. The student class enthusiastically devour these. Yet the man who has this place of influence is an agnostic. Increasingly the literary classics of Europe and America together with the literary trash is becoming the property of China.

4. *Educational Ideas.* Probably in no country has the scholar for so long been as venerated as he is in China. For some decades after the introduction of Western ideas there was widespread contempt for and antagonism to our educational ideals and methods. Today it is different. There is now a tendency to reject what is good in the old Chinese system and reach out for the ideas and ideals which emanate from European and American Universities. The fact is, the teachers and students of the normal schools seem ready to swallow without question anything which carries with it the stamp of the approval of Chicago, Columbia and other great Universities. This is in spite of the fact that ideas about educational methods are far from fixed and those stressed today may be discarded next year. Through the large number of returned students teaching in schools of all grades, through the greatest educationalists of America and Europe who make extended visits to educational centers, and through the large number of educational magazines and papers and through the textbooks of the schools of all grades, familiarity with these educational ideas and methods are reaching the Chinese people.

5, *Philosophies.* The Foreign philosophies, economic, political, social and religious are being introduced through books, periodicals and tracts and are further propagated by the "soap box" orators even in the mountain villages. China is breaking loose from the tyranny of her past, and the younger people especially are urging substitutes for the discarded ideas. Marxian socialism, syndicalism, bolshevism, atheism, atheistic evolution and the like are preached with an enthusiasm that might be commended to some preachers of the gospel. Due to the new literary movement the radical, revolutionary moral and immoral ideas so rampant in so many American and British publications find their way into the periodicals of China immediately. It is amusing to hear high school students rolling off the names of Plato, Aristotle, Kant and Neitsche as if they really understood what these men taught. They do not realize that their minds are all cluttered up with a lot of vague ideas that are absolutely contradictory to each other. Confused, dazzled, blinded and puffed up by such smatterings of Western learning, they are spreading the idea that Christianity at its best has been incidental in the history of our development and that ordinarily it has only served to burden and hamper.

6. *The Westerner Himself.* There is not space to allow for more than a few words on this influence. China sees the man from the West in her own country, she hears the stories told by those who have been to America and Europe, she hears the revelations made by the labor corps in France, and she sees our moving pictures, she sees our illustrated papers, she keeps in touch with us through our newspapers, and she sees and remembers our armies and navies. The result of the influences of some foreigners may be summed up in the words quoted by Paul to the church at Rome, "For the name of God is blasphemed among the Gentiles because of you."

Now what have I been saying? Let me sum it up. Missionary effort is only a part of the Western influence being brought to bear on China, and instead of the Western world forcing its ideas and ideals on a reluctant and resentful China, China is greedily grasping for many things that make us different. Does any sensible person on earth think that China can ever again be separated from the rest of the world by an almost impassable gulf? We must recognize the fact that as time goes on the interdependence of China and other nations will be greater than ever. Does any one think that the Standard Oil Company or the Singer Sewing Machine Company are planning to give up their business there? I hope they will not. Are the sellers of our patent medicines selling out? Are we demanding that the men who sell cigarettes come home? Has the Red radical from Russia signified his intention of getting out of the country and leaving China to her "self-determination?" Are we making any wide-spread demand that the moral scum of Western countries be forced to get out of China? Will the degrading influences and the influences that cause hostility remain out of China if the missionary stays away? Why on earth should any one insinuate that the one class of Westerners who have worked so sacrificially and with such amazing success in uplifting the Chinese people and in causing them to look on us with feelings of kindness be asked to withdraw?

I notice in the papers today that the suggestion has been made that missionaries be withdrawn in order to relieve the congestion in Shanghai at present. I may be too far off now to be dogmatic about this one incident but it is typical of an attitude of a certain class of people. In the relief of the congestion I could start at a better place. I could start by suggesting the absence of some other classes, less creditable

Once terrified the Chinese uneducated mass, now submitted to the reigns of the electric engineer. Dian-Mo, or the Mother of Lightning, had mirrors in her hands, from which the lightning flash was believed to emit. Lai-Kung, or the Father of Thunder, had drums under his feet, from which the thunder was supposed to originate.

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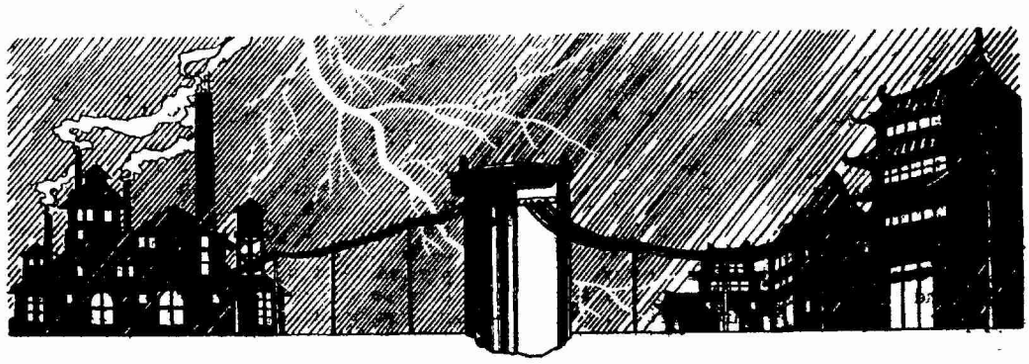

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to America, less acceptable to China and less qualified to help us keep on good terms with China. How about first deporting those who run the saloons, immoral dives, theatres and lotteries in the great ports? How about suggesting to the representatives of the great tobacco companies that since the foreign settlement is crowded they might return for the present? How about telling the representatives of more creditable industries that since business is slack now might be a good time for their vacations? No, the start must be made with the missionary regardless of the fact that the impression will be made among the Chinese that their best foreign friends are more or less discredited by their own government, and regardless of the fact that as soon as conditions will permit, it will be these missionaries who, like angels of mercy, will be caring for the wounded soldiers, calming the disturbed people and in the name of the Prince of Peace, leading in healing the wounds of that war.

Any informed person with a grain of sense knows that it is largely to the missionary work in China and the interest in such work by Americans that we have a pardonable pride in China's attitude toward us today. The diplomatic and consular force, the merchant and the shipping man, the army and the navy officer, the globe trotter and the exploiter are all quick to remind the Chinese of what they owe to America. In times of danger to themselves as well as when pushing their own interests they are quick to cash in on this kindly attitude regardless of the fact that it is due to the work of the missionary that this attitude has existed.

What if the American flag stood in the Chinese mind for battleships more than Christian hospitals, for exploitation of pauper and child labor rather than education, for money-getting rather than unselfish service, for contempt and bullying rather than consideration? Would conditions not be far worse than they are? Then there is one more question. What will be the effect if in the years that lie ahead we allow the main impression of American spirit to be given the Chinese by the merchant and the soldier?

Hwanghsien, China.

Admiral Bristol, America's "Best Diplomat" Coming to China

(Clinton W. Gilbert in the Times-Picayune, New Orleans)

The appointment of Rear Admiral Mark L. Bristol to the command of the American fleet in Chinese waters is one of the wisest things that the administration has done in relation to the Chinese problem. The rear admiral takes command in a few weeks, when Rear Admiral Williams, at present in command, retires. He will receive the rank of admiral when he goes to China, the highest rank in the American navy, held by only a few famous officers in wartime, as a recognition of his brilliant services in Turkey, and this title will make him the ranking naval officer in the Chinese waters, so that in case of co-operation with the other powers in China he will be in command.

Admiral Bristol is the best diplomat in the navy, perhaps the best diplomat in the service of the United States. And with Mr. McMurray, the American minister at Peking, out of harmony with the policy of the administration at Washington, Admiral Bristol will probably be the president's chief adviser in the Far East. For several years while this country had no treaty with Turkey and did not recognize the Angora government set up after the war, Admiral Bristol was the United States high commissioner to Turkey—that is, a sort of unofficial ambassador. He gained the confidence of the Turks and regarded them sympathetically without losing sight of the fact that he was in the Near East to look out for American interests. A strong friendship between Turkey and the United States resulted from his skillful conduct in his anomalous post and he became the most influential representative of any of the great powers in the Near East. His job ended when a treaty with Turkey was ratified by the Senate and regular diplomatic relations were resumed.

What he takes to China is a certain capacity to understand the Oriental mind uncommon among Americans and a habit of independence. President Coolidge recently warned the country not to take seriously reports from China about what the United States was going to do there. The trouble is that most American officials over there have their judgment warped by the passions of the foreign colonies in Shanghai and Peking. They lose their perspective. Unless he has changed since he left Turkey, Admiral Bristol will be able to look at the Chinese situation objectively. And if anyone will have the patience and the understanding to handle the difficulties there so that in the end there will be friendship between China and the United States, Admiral Bristol will be the man.

The Latest Fakery

(The People's Tribune, Hankow)

It is a pity that space must be used so often to issue denials of the ever-recurring mendacity of such sheets as the *"North China Daily News."* But many readers of that paper are likely to believe the bilge which was started in its issue of July fourth, and a denial may help dissuade them a little from too complete an acceptance of it.

The *North China* appears to have got hold of a White Russian amongst the many thousands who make their livings in more or less shady ways in Shanghai. This particular White Russian apparently had been in Hankow, knows buildings, knows the names of some individuals and is able to make guesses on a grand scale about many individuals and places, the significance of chance meetings, et cetera. He is blessed, too, with a vast imagination.

Fed with money from the *North China*, or from the Secret Service funds of the British Consulate general in Shanghai, this white Russian appears to have sat himself down, assisted by one of the more imaginative of the North China's staff of anti-Chinese writers, and concocted a tale which is a terrible thing to see. Everything is in it except the boiled corpses which made such a hit in British propaganda during the war. Up to the third article, at least, the latest to come into our hands, he had not yet got to the eating of babies. But everything else is there.

It is all an elaborate, a most elaborate, structure of lies. Any newspaperman who had ever been in Hankow for a few weeks, had read some Russian novels in order to work up a good list of Russian names, knew something of Chinese politics, and had no conscience, could do the same any day.

Characteristic of the *North China* and its propaganda (especially that concocted by Mr. Rodney Gilbert) the author is again anonymous. They always are. The *North China* never makes an "exposure" save with anonymous informants. It's safer so. It causes no bother. And it gives greater leeway to the fictioneer who does the writing.

As far as the story has gone in issues of the paper which have reached here, we have a picture of Mr. Borodin and General Gallen as melodramatic plotters, planning assassinations and other things dear to the heart of the playwright Hoyt. They do everything but wear cloaks and masks. If their language had a little sprinkling of "gadzooks" and "'od's bodikins" about it, the illusion of costume romance would be complete.

Then there is the tale of propaganda. It's a hair-raising one. If one is to believe the *North China*, the printing establishment of the *People's Tribune* is equipped to print anything in all languages including the Scandinavian. Even in Annamese are printed those terrible leaflets and propaganda pamphets which we turn out here by the million copies! The gentleman who presides over our composing room is much flattered. He had so often complained that he hadn't even a large enough staff or plant to do a little job-printing on the side, because the six pages of our paper use his staff and plant up to capacity.

There is much more. Judging by this yarn in the *North China*, Hankow is one grand melodrama of false-whiskers and dark eyeglasses. One walks about in an atmosphere of passwords and secret hand-grips, for all the world like a community of Odd fellows and Free Masons, or Ku Kluxers.

There is one thing to be said in favor of this "exposure." It is an excellent circulation stunt. All newspapermen know that the summer time is hard on circulation. The casuals drop out, many people go away. The circulation managers are hard pressed. But a stunt of this kind helps to keep the wavering ones on the circulation lists. A scandal of any kind is good newspaper business. So from that standpoint, one has to congratulate the editor of the *North China* on his enterprise. The yellow sheets of New York and Chicago will hail him as a brother. In their language, he "knows his onions."

But from a serious point of view, this latest escapade of the *North China Daily News* is nauseating. It could originate only in the minds of men who hate the Chinese Nationalist movement so deeply that they will stoop to anything whatsoever to hurt it.

We have reason to believe, however, that this particular stunt will react as a boomerang on the paper itself. There is some sense of fairplay and decency left in the foreign communities of China.

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41-335

Fear And Contempt In Relations Of Chinese and Foreigners

BY ARTHUR RANSOME

Special Correspondent, Manchester Guardian

THE visitor to China who inquires from the foreigners he meets as to the Chinese attitude towards the foreign population of his country is given a great deal of seemingly contradictory information. The same people who tell him that the Chinese are anxious in a sort of blind hatred to turn all foreigners into the sea, and that their grievances are merely the unreal excuses for this kind of hatred, also tell him that "the Chinese, the real Chinese, are delightful. But, of course, not these people with a smattering of Western knowledge." Of these statements the first, I am persuaded, is untrue, while the second is unfortunately irrelevant. It means simply that those Chinese are delightful who do not claim, in their own country, equality with the foreigner. Inquiry pursued further invariably elicits examples, in the boatswain of a private houseboat, in the No. 1 boy, a sort of male housekeeper ("I do not know what I shall do without him in England"), or in the peasants who tolerate trespass by foreigners out shooting.

There is nothing to cavil at in this appreciation of the Chinese as domestic servants or as the kindly, inquisitive but respectful creatures who give human interest to the Chinese landscape. But it is really no more than an admission (strange in some mouths) that the Chinese is a human being and that he responds to friendly advances until his natural friendliness is dissipated by a political idea. But the plain humanity of a nation is not proof against leadership, least of all in a country like China, where most of the population suffers, besides extreme poverty, much discomfort of other kinds, and worse government than would long ago have moved most peoples to a frenzy of revolt. Where a nation has legitimate grievances *against itself* but there is even the appearance of foreign domination, discontent is always likely to take the view that if only the foreigner were out of the way it would be easy to get through with the necessary spring cleaning at home. The friendliest masses will accept such a theory. Egypt is an obvious example. There, too, one heard of the natural friendliness of the real Egyptians, the *fellahin*. That did not prevent them from supporting Zaghlul, himself a *fellah*, in violent protest against British ascendancy.

A Strange Reversal

Friendliness in human beings politically unstirred may almost be taken for granted. It is not a factor in such a problem as that which faces us in China. When we ask about the attitude of the Chinese towards foreigners it is not because we need telling that Chinese coolies and servants have not normally any particular grudge against the foreigner, who, when he employs them, treats them probably much better than they would be treated by their fellow-countrymen. What we do want to know is the relation between the foreigners in China and those of the Chinese who form the opinion of the nation when it comes to the point of action. We are concerned with the attitude towards foreigners of the younger generation of educated or half-educated Chinese. Even the warlords of the North deal with us through such men, and the leaders of the Kuomintang are precisely those Chinese "with a smattering of Western knowledge" whose "reality" our foreign informers so impatiently question.

Gradually, talking day after day with foreigners and with the Chinese who have in actual fact shown that they can induce the masses of their countrymen to follow them, the Chinese with whom we now have to deal as once we dealt with the mandarins, I came to the conclusion that there has been a very remarkable exchange of attitudes between the foreigners and the Chinese in China. You cannot be long, you cannot be a week, in the country without hearing from foreigners (when they have told you about the hatred and the friendliness) that the secret attitude of the Chinese towards the foreigner is one of contempt tempered by fear.

That statement was true once upon a time, but to-day it illustrates only how carelessly the resident foreigner observes the changes at his door, and how obstinately retrospective is his mind. It looks back to the old days when the men who ruled in China had interests very different from those of the foreigners with whom they had unwillingly to deal. It looks back to the days when the foreigner did indeed present himself to the mind of the peacock-feathered mandarin as a turbulent, greedy-minded hooligan who was strong enough to force mandarins to agree with him in such matters as concerned trading, in which it was below the dignity of a mandarin to take any serious interest. In those days the mandarin's contempt for the foreigners was indeed tempered by fear because the foreigners, while intellectually of a low order, had a dreadful power of combining in action. Intellectually contemptible, their unity made them invincible, and the mandarin had the same sort of respect for them that Bishop Hatto had for the rats.

What Was Sauce for the German—

But those days have passed. The old fear of the united foreigner was weakened by the European war, and still further weakened by those sections of the foreign business community in China which made use of the war as a pretext to persuade the Chinese to turn their trade rivals (Germans) out of the country. The Chinese have been taught that foreigners will welcome against one of their number who happens to be unpopular deeds which they would resist by force of arms if committed against themselves. The Russians are blamed for teaching the Chinese that foreigners are not indivisible. We must share that responsibility. Extraterritoriality was taken with British approval from Germans and Austrians after the war. Is it surprising that the Chinese have now high hopes of taking it from us? More recently, the Diplomatic Corps in Peking allowed Chang Tso-lin's troops to enter the hitherto sacred Legation Quarter, to raid foreign buildings there, and under protest too late to be effective, to seize diplomatic documents. We shall have only ourselves to thank if, on a later occasion, the premises violated, the papers seized, are those of the British or the French. The fear of the united foreigner has gone. But the contempt has gone also. The people who speak for China to-day (with perhaps a little, but certainly not much, more right to speak for it than was enjoyed by the mandarins) are interested in the same sort of things as ourselves. Many of them have been abroad and have returned to China with envy of the foreigner, an emotion much more active and dangerous than contempt. The mandarin's attitude of superiority has been exchanged for that of traders, manufacturers, and bankers who see in the advantages obtained by the foreigner disadvantages to themselves in their efforts to establish similar business. The old, comfortable conception of the Chinese as a mandarin conceding under compulsion things he did not value to persons whom he despised for wanting them is, like most of the ideas current in the foreign business community in China, at least a quarter of a century out of date.

Fear

But something very like the contempt and fear once felt by the Chinese for the foreigner is now felt (and shown) by the foreigner for the Chinese. The contempt is one of the causes of the present bitterness in a conflict which is, at bottom, economic, and the fear must be taken into consideration by those who wish to understand why foreigners resident in China are inclined to urge on their home Governments a panic policy of running amuck. Like the mandarin, the foreigner's fear is not of individuals but of their power of united action. The foreigner is afraid, not of any Chinese, but of the newly demonstrated Chinese power of uniting in strikes, boycotts, trade unions, mobs, and, to a certain extent, even in a political party. There is something terrible in the Chinese when they all think the same thing, when, for example, the shooting of a few of them by foreign policemen calls forth similar protests from one end of that continent of a country to the other.

Fear of this kind is apt to destroy a man's sense of realities and to lead him by putting up sandbags and barricades and making a show of inadequate but provocative force to exasperate and bring into full play the very quality in the Chinese that he most fears. For the sight of foreigners in England putting up barbed wire and showing themselves behind sandbags with rifles and machine-guns would in our present state of development be an almost irresistible invitation to attack them. The Chinese may be more prudent; they may count the odds more carefully than the Westerner; but they are neither so backward nor so advanced as not to feel in a similar case the same impulses as we should feel ourselves. And if we wish to unite China or any other country against us, the best of all ways is to go to war with it. Every blow struck by foreigners in China is a blow in the welding of the nation. But that fear of Chinese in union has so far done nothing to lessen the foreigners, contempt for the Chinese. And just as one of the motives for the old wars between the Western Powers and China was foreign resentment of the contemptuous

attitude of the Chinese, so now one of the forces uniting the Chinese is their resentment of the contemptuous attitude of the foreigners.

Contempt

There is no need to analyse the ways in which that contempt is shown—non-admission of Chinese even as guests to foreign clubs, extreme limitation of social intercourse (to this there are exceptions, of course), prohibition of Chinese enjoyment of parks and embankments for the upkeep of which they help to pay. It is impossible to talk to educated Chinese without becoming aware that this is a matter of which they are most bitterly conscious. They are ashamed as they bring forward examples of it, and it is hard not to be ashamed in hearing some of these examples. A Chinese diplomatist, who made abroad many English friends, married a foreign wife, but made a home for her in Manchuria rather than by taking her to Peking let her see the attitude of foreigners towards his own countrymen in their own country. This is a complete reversal of the old position when the Chinese refused to receive our envoys except in a humiliating manner. It is a regrettable state of affairs, like that other, and I am inclined to believe that it is due to the natural effect on foreigners of the privileges which they enjoy in China. Privilege is more effective than nationality in segregating a caste. It is always likely to lead to the public expression of what may privately be a justifiable sense of superiority. It is always clung to tenaciously, and fear of losing it explains some of the British opposition in Shanghai and similar places to a British policy that includes the curtailment of privilege and so an eventual lessening of that wall of contempt which contributes so much to the difficulty of our problem in China. As foreign privilege in China disappears, so, after a period during which remembrance of past humiliation may lead Chinese to be assertive overmuch, will disappear much of the mistrust and resentment which now colors relations between the Chinese and their Western guests.

As for the alleged dislike of foreigners as such, I do not think it is any stronger with the Chinese than with ourselves. I have heard it said that they dislike our smell and the sharp noses that project from our, to them, rather grotesque faces, It may be, but when treated fairly as fellow citizens they hide these feelings very well, better, perhaps, than we disguise our distaste for their free spitting and unpleasantly noisy way of clearing their throats and noses. These things do not matter as between nations.

American Women's Organizations Express Sympathy for China

A number of Chinese Women's organizations in Shanghai, including the Chinese Women's Suffrage Association, Federation of Women's Organizations, Women's Christian Temperance Association, Women's Industrial League, Women Teachers Association, Girls' Student Union and the Women's Rights League, early last June sent a cable to a number of American Women's organizations asking for sympathetic understanding of China's present problems. In reply to this cablegram the executive committee of the American League of Women Voters, sent the following message to Chinese women, the telegram having been received last week:

"The Executive Committee of Women's Voters at their meeting today, was profoundly moved by the message received from the women of China, speaking through their organizations and appealing with united voice for the sympathetic understanding of the women of America in connection with the present crisis in China.

We have transmitted your message to the organizations specified in your message, believing that your appeal belongs not to these organizations alone, but to the women of America generally. We have also given your message to the press and are transmitting it to all the affiliated branches of the League of Women Voters throughout the United States.

"We are confident that it will be received with the deepest sympathy for the aspirations of the women of China and with eager hope for continued friendship between the American and Chinese peoples. It will interest you to know that at a council meeting of the League recently held in Washington, a study of the problems of the Pacific with special reference to China was added to our program and in accordance with that action we aim to promote that intelligent action for which you appeal."

The telegram which the various Women's organizations sent to America read as follows: "China is struggling for national unity and international equality. Unfortunate incidents for which deep regret is felt by all Chinese, have been unavoidable in the gigantic revolution. We appeal for sympathetic understanding and urge you to prevail upon your Government to be first in negotiating new treaties with the Nationalist Government."

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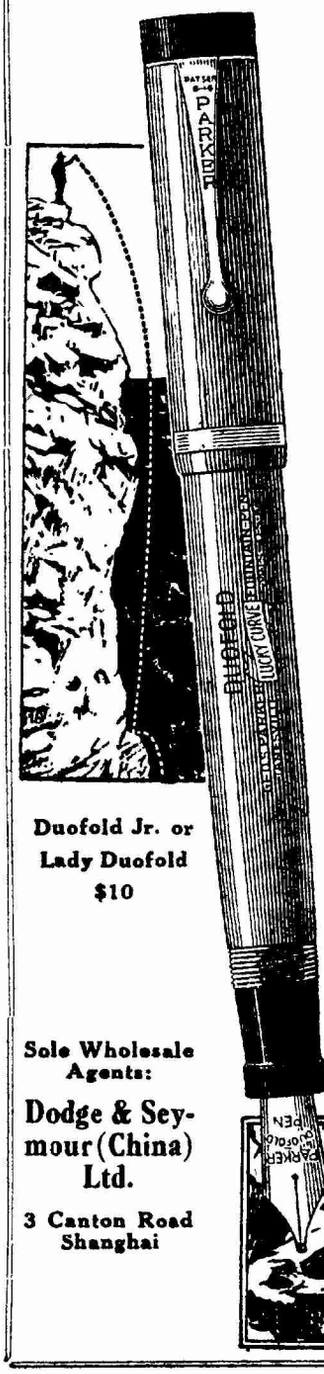

When the pen was recovered amid the jagged rocks a half mile below the canyon's edge, it was scratched a bit, but quite unbroken.

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41-338

The Question of Indian 'Sedition' in Shanghai

BY F. P. FRAZIER

(American Newspaper Correspondent)

SO successful have been the efforts of staunch supporters of the Indian Nationalist movement among the various units of Indian troops stationed at Shanghai that the last of the battalions composed of men of this nationality left Shanghai in the latter part of July and returned to India.

The British authorities at Shanghai have been vigorous in their endeavors to detect and punish agitators but have been unable to prevent the spread of disaffection among the troops. The Indians, both officers and men, are now said to be so completely out of sympathy with the British imperial policy toward China that they look on the Chinese Nationalists as fellow-strugglers for freedom.

The first detachment of Indian troops arrived in Shanghai many months ago. When they left their native country they were not told what their destination would be. When the transport passed Singapore the rumor was circulated, having been instigated apparently by those in authority, that they were going to Shanghai where their temple had been destroyed and their women violated by the Chinese. Naturally, the soldiers were ready and eager to wade in and kill all Chinese by the time they arrived in Shanghai.

Met at the Dock by Propagandists

But they were met, almost at the dock, by certain men of their own nationality who were working for the cause of Indian freedom among the large groups of Indian police and watchmen already in Shanghai. These men showed the soldiers that their temple was still intact and proved to them that Indian women had received no insults whatever. Literature of various kinds was distributed among them also, showing that the Chinese Nationalists were striving for virtually the same goal as were those of the Indian Nationalists—freedom from outside European oppression.

The reaction of the troops when they discovered the untruth of the stories which had been circulated among them was great. This, added to the propaganda to which they had been subjected, caused a certain amount of discontent. Word of this passed on to their British officers and soon afterwards to the powers that be and the first detachment was sent back to Hongkong.

Later in the spring, two more battalions of Indian troops arrived in Shanghai. These were Punjabis, from a different dialect from the Indian Nationalist workers in the International Settlement, thus making it far more difficult to disseminate organization propaganda. But by the liberal use of pamphlets translated into divers languages and by the use of interpreters and 'Pidgin' English propaganda was distributed, first among the officers and finally among the men. The result was that these troops also became sympathetic toward the Chinese Nationalists.

Financed by Kuomintang Members

The expenses of the organization are largely paid for by donations from Chinese friends and members of the Kuomintang. The Indians in Shanghai are poorly paid, as a rule, and able to give little, although they do give as much as they can. Money has also been given by officers and soldiers of the Indian battalions, although it is not solicited from them. The Indian merchants in Shanghai, some of whom are quite wealthy, do not now give money to this cause as formerly they did. Pressure has been brought to bear on them.

Until late in May traitors among the Indians in Shanghai were unknown, but at that time certain of the Indian doctors attached to the troops, who had been received into the confidence of many of the organization workers, gave the information which they had obtained to their British officers as a result most of the leaders were arrested and held in prison for several weeks but they had been forewarned and had disposed of all incriminating evidence and were finally released.

There are two groups of Indian agitators in Shanghai. There is the group of which I have written above, which believes in the passive resistance policy of Mahatmah Ghandi, their leader, and there is the group which believes in resistance, but of the kind used in Russia. The one is an idealistic and spiritualistic movement and the other, Communistic. The former endeavors to achieve home rule in India so that Indians may be free to express themselves in terms of their own making, while the latter is working for the complete overthrow of British rule in India and its members are fanatical believers in the most radical methods.

The Shanghai Arrests

Leaders of the latter group, following a raid made upon their house in Shanghai recently, were arrested and brought to trial charged with sedition. The three men arrested, Gujjan Singh, Daswanda Singh and Gainda Singh, were convicted and sentenced to serve imprisonment for one year with deportation to follow. Of the three, Gujjan Singh was the most notorious. He is a well educated man and was implicated recently in a trial for the murder of a police officer in Shanghai. Daswanda Singh, also well educated, had spent considerable time with the Russian Communists in Hankow during the past several months. The third man, Gainda Singh, is unimportant and obviously a tool of the other two.

This group had little influence among the soldiers and other Indians in Shanghai. The first group have been, however, quite successful in their purpose and this is the reason why the Indian brigade is being sent back to India.

British authorities still have a problem on their hands with the Indians remaining in Shanghai, practically all of them being in sympathy with the Chinese Nationalists. The Sikh policemen, members of the Shanghai Municipal Police, feel that they are being treated unfairly partly because they are paid no more than the Chinese police and partly because men are sent out from India to take the important positions on the force, whereas they feel that the chiefs should be promoted from among those already in Shanghai.

The Sikh watchmen, since they also are poorly paid and since they have considerable time on their hands, make fertile soil for the sowing of the seeds of disaffection. Some months ago when the British Concession in Hankow was evacuated the Sikh watchmen there were forgotten. Next day, when the Chinese Nationalists took over the Concession, there was a parade and one of the important units of this parade was the group of forgotten Indians!

Singapore, July 10, 1927

How the Opium Bureau Will Operate

The Bureau for the Prohibition of Opium in the provinces of China under the control of the Nationalists has drawn up a scheme for Government control of the drug, of which the following are the chief features:

1. To centralize all organs for the prohibition of opium within the country, with branches in various provinces or in special districts. The highest military authorities are to instruct local military and naval authorities not to connive at or unlawfully facilitate the activities of private opium dealers or to interfere with the duties of the local Opium Bureau.

2. To control the shipping of opium. The object of this is to ascertain statistics as to the total quantity used and to prevent local military authorities from protecting private dealers in illegal shipments of the drug.

3. To create a special guard and detective force in the provinces, each having from one to three companies of 300 men.

4. To collect stamp, license and shipping taxes. This step is taken with a view to gradually cutting down the use of opium, instead of trying to prohibit its use entirely, which has proved to be impossible. The taxes are divided into four categories: (a) Stamp tax.—All legitimate shipments of opium must be stamped. All shipments when not stamped are regarded as "private" and therefore illegal and subject to confiscation. (b) Special permit tax. This tax is payable by merchants who obtain a license to engage in trade. (c) Private house tax. This tax is payable by those establishments which obtain a license to serve opium smokers. (d) Transhipping tax. This tax is payable by merchants who ship opium from one place to another.

The Bureau aims at enforcing a yearly decrease of the supply and sale of opium. The amount of opium which is shipped, sold and consumed in the territory every year shall be listed at the beginning of 1928. By the end of that year there shall be a decrease of one-third of the amount listed. By the end of 1929 a smilar reduction shall be made and in 1930 the balance is to be wiped out.

The Bureau will open special offices for the sale of opium.

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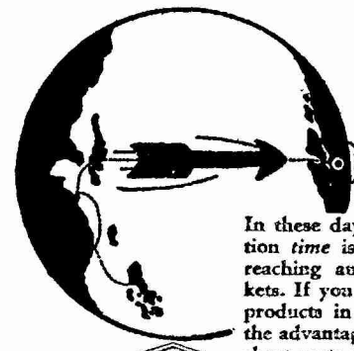

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Men and Events

Dr. Robert F. Fitch of the Hangchow Christian College is spending a holiday at Tsingtao.

W. A. Main, of the Associated Mission Treasurers, has returned from a vacation at Foochow.

The death occurred last week of Edward F. Riley, manager of the Harbin branch of the National City Bank.

C. A. Perkes, of the Robert Dollar Co., is recovering after an operation in the General Hospital, Shanghai.

D. C. Berger, U. S. Consul at Tientsin, has been transferred to Swatow, where he has already commenced his duties.

Commander L. W. Mayfield, of the U. S. S. *Sacramento*, returned to the United States by the *s.s. President Cleveland*, July 30.

General Duncan, commander-in-chief of the British forces in Shanghai, preceeded to Weihaiwei on the British warship *Frobisher*, August 1.

The National Anti-Opium Association of China took up its headquarters in the Shanghai Bankers Association Building, 4 Hongkong Road, as from August 1.

J. J. Corbett, representing Armour & Co., meat packers of Chicago, returned to the United States by the *s.s. President Cleveland* July 30 after a tour of the Far East.

According to the *People's Tribune*, an American resident in Hankow has donated the sum of G. $5,000 to the Chinese Red Cross fund for wounded soldiers. The donation, which was the largest single gift to be received, was made anonymously.

Morris J. Harris, correspondent for the *Associated Press*; Henry F. Misselwitz, correspondent for the *New York Times*; and J. B. Powell, correspondent for the *Chicago Tribune* went to Hangchow, Chekiang province, last week for an investigation of the political and military situation.

The *People's Tribune*, official organ of the Wu-Han Government, which publishes a daily record of the number of foreign gunboats in the Hankow harbor, reported on July 27 that there are now 17 gunboats in port as follows: British 5, American 3, French 3 and Japanese 6.

Admiral Williams, commander-in-chief of the U. S. Asiatic fleet, was the guest of honor at a farewell tiffin July 29, given by Leroy Webber, American Consul at Chefoo, at the Chefoo Club. Consul Webber in proposing the toast referred to the Admiral as a man "that made good."

The China Petroleum Co. has been incorporated under the laws of Nevada, with head offices at Tientsin. The company was formed in the summer of 1926 and is engaged in the importation of petroleum products into China. L. D. Ting, who recently resigned from the Tientsin City police, has joined the company, of which L. L. Loucks is president.

Harold Butcher, special correspondent for the *Liverpool Echo*, Liverpool, England, was in Shanghai this week on a trip around the world. Mr. Butcher is at present stationed in New York and is secretary of the Association of Foreign Press Correspondents in New York. He is writing a series of feature articles for newspapers in Great Britain and America.

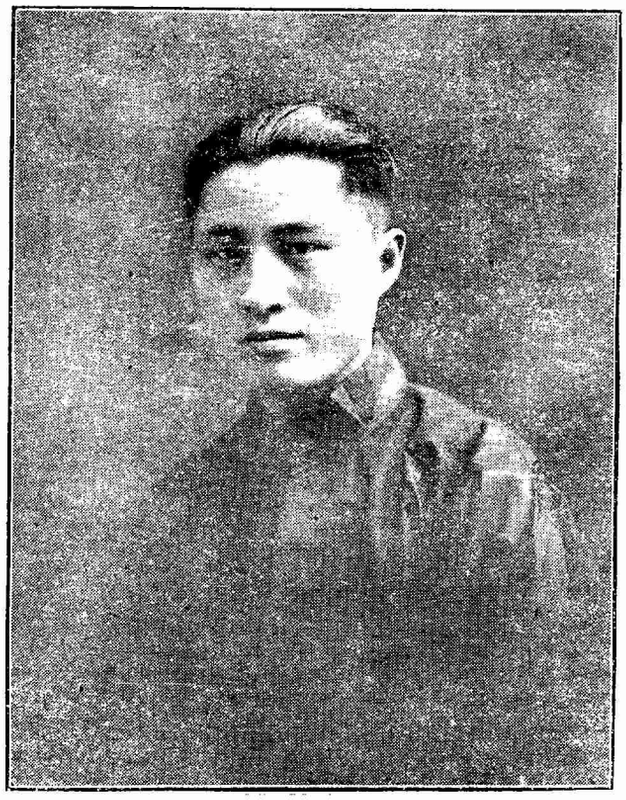
Silas H. Strawn of Chicago, who served as head of the American delegation to the China Tariff Conference in Peking, may be appointed Ambassador to Mexico, according to a *United Press* dispatch from Rapids City, South Dakota, where President Coolidge is spending his vacation. The present American Ambassador to Mexico, Mr. Sheffield, has resigned.

The death occurred at Shanghai July 27 of John W. Schoenfeld, who was associated with F. J. Schuhl in the practice of law in Shanghai. The late Mr. Schoenfeld was 51 years of age and had served for a long period in the U. S Navy, having attained the rank of Lieutenant Commander when he resigned several years ago. Mr. Schoenfeld was born in Westfield, N. Y.

The French European liner *Paul Lecat* sailed from Shanghai August 2 after paying into the French consulate a check for its tonnage dues at the treaty rates and refusing to pay into the Customs 50 per cent extra as provided by the new Nationalist proclamation. The American ship *Patrick Henry* which sailed several days earlier paid the extra tonnage dues under protest.

In his report on the work of the Rockefeller Foundation for the year 1926, Geo. E. Vincent, president, says regarding the work in China: "In spite of disturbed conditions the Peking Union Medical College continued its work without interruption. In the medical school there were 64 undergraduate students and 82 physicians doing advanced work. Of the 82 teachers, 43 were Chinese."

Who's Who in China



Mr. Hu Kuang-piao.
胡光麃字蜀潽
(K. P. Hu.)

Mr. K. P. Hu was born in 1897 at in Szechuan Province. Being a member of a literary family, he was given a good Chinese education in his youth. After having gone through the middle school course, he joined Tsing Hua College at Peking in 1910 where he studied until 1914.

Upon graduation from Tsing Hua College, Mr. Hu went to America. He graduated from the Massachusetts Institute of Technology in 1918. He was with Stone & Webster and the General Electric Co., from 1918 to 1920.

Upon returning to China in 1920, Mr. Hu began to interest himself in engineering works. He was one of the organizers of Messrs. Lam, Glines & Co., and became the manager of the department of machinery of that company in 1922. From 1924 he was with the Chee Hsin Cement Company, Tientsin, both as manager of Chee Hsin Engineering Works and manager of the sales promotion department. Later he was sent by the Central Government to investigate industrial conditions in various European countries and in the United States.

Mr. Hu was the organizer of the Cement Centennial Celebration at Tientsin in 1925 under the auspices of the Chee Hsin Cement Company. In 1926 he joined the Peking-Mukden Railway Administration as Assistant Chief of the Technical Division, which position he still holds. He is also now the consulting engineer to the Hua Hsin Cotton Mill, Tsingtao.

Mr. Hu is well known in Tientsin, Peking and North China. Mrs. Hu, a daughter of the late Mr. Chow Tzu-chih, is also a returned student from America. Mr. Hu is a member of the Tientsin Rotary Club; of the Chinese Engineering Society; of the Science Society; and of the Association of the Chinese and American Engineers.

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EQUITABLE EASTERN BANKING CORP.
Plaintiff,
vs
C. F. REHNBORG,
Defendant.

Cause No. 2959
Civil No. 1215
SUMMONS ALIAS
Filed at Shanghai, China, August 4 1927.
L. T. Kenake
Assistant Clerk.

The President of the United States of America

To the United States Marshal for China and his Deputies—

GREETING:

You are hereby commanded to serve this Summons and a copy of the petition in the above entitled action upon the defendant

C. F. REHNBORG

and to notify him to be and appear before this Court on or before the sixtieth day after service hereof to file his written answer on oath.

(SEAL) **WITNESS the HONORABLE MILTON D. PURDY Judge of the United States Court for China, Shanghai, China. Feb. 4, 1927.**

L. T. Kenake,
Asst. Clerk

Excerpt from Regulations, Section 8: On proof of due notice, judgment by default shall be procured against any defendant failing to appear and file his written answer as required.

Chinese Military Situation Reaches A Deadlock

BY J. B. P.

Although there are reports aplenty regarding troop movements, impending wars, alliances and counter-alliances, the facts in the internal political and military situation in China seem to point in the direction of a deadlock which may continue for some time—or at least until there is more money available for a fresh outbreak of warfare.

In these columns of *The Review* last week an attempt was made to show the territories occupied by the various military leaders of North and South. For example it was shown that Chang Tso-ling occupies Chihli and the Three Eastern provinces of Manchuria while his allies, Sun Chuan-fang and Chang Chung-chang control Shantung. Yen Hsi-shan, the so-called 'model' governor controls Shansi province, while Feng Yu-hsiang, the 'Christian General' controls Kansu, Shensi and Honan. Gen. Chiang Kai-shek, commander of the military forces attached to the Nanking Government controls Kiangsu, Chekiang and Fukien provinces and part of Anhwei. Tang Shen-tse, military leader of the Wu-Han Government controls Hupeh and Hunan provinces while his associate Gen. Chang Fa-kwei, controls Kiangsi. Gen. Li Chi-shen, an associate of Gen. Chiang Kai-shek, controls Kwangtung province and its capital Canton. This completes the picture excepting Yunnan, Szechuen and Kweichow provinces which usually are independent anyway.

If one had a checker-board available with the various squares marked to represent provinces, it would be easy to understand the present state of practical deadlock which exists from the standpoint of immediate military activities. There is of course a certain counteracting influence wielded by the various civilian officials, but at the present their influence for internal peace is practically negligible owing to the fact that the military leaders, both North and South have control of the armies which are beyond constitutional restriction.

The Deadlock

To understand the deadlock that exists it is necessary to superimpose the military leaders on the checker-board and then attempt to move them in the direction they wish to go. Feng Yu-hsiang, for example, wants to move on Peking and force Marshal Chang Tso-ling back into Manchuria or out of office altogether, but Feng is more or less powerless to move owing to the suspicions of Gen. Yen Hsi-shan, tupan of Shansi province—which lies to the west of Chihli province. Gen. Yen has declared himself to be a Nationalist, but he has no desire to see Feng Yu-hsiang as the dominant factor in North and Central China for that would be prejudicial to Yen's undisputed control of Shansi province, so every time that Feng makes a move up the Peking-Hankow Railway from Honan province toward Peking, Yen begins to lean over toward Chang Tso-ling. And the thing also works the other way, for should Chang Tso-ling attempt to move down the Peking-Hankow line to attack Feng, then Gen. Yen would get suspicious and lean over toward an alliance with Feng. Thus the situation on the Peking-Hankow line is more or less at a deadlock for the present at least.

Dr. C. T. Wang, Who Has Gone to Loyang for a Conference with Feng Yu-hsiang

Chiang Kai-shek and the Shantung Generals

Turning toward the eastern part of the country, we find Gen. Chiang Kai-shek being forced out of Shantung province owing to the threat of the Wu-Han Government to attack Nanking and Shanghai. A few weeks ago Chiang Kai-shek had advanced practically to the line of the Shantung Railway which runs from Tsingtao to Tsinanfu and splits Shantung into almost equal northern and southern sections. But Gen. Chiang first ran into the Japanese troops on the Shantung Railway and then Wu-Han began to move down the Yangtsze. The result was that Chiang was forced to evacuate Shantung and drop back toward the Yangtsze in order to protect his home base. Latest reports from Peking state that the two Shantung generals Chang Chung-chang and Sun Chuan-fang have captured Hsuchowfu, important strategic center of northern Kiangsu at the junction of the Tientsin-Pukow and Lung-Hai Railways. Further than this the reports from Peking claim that the Northern or Shantung troops have captured Pengpu which is about half way between Hsuchowfu and Pukow, the latter city being located on the Yangtsze opposite Nanking. Now on the other hand the local officials of the Nanking Government claim that Hsuchowfu has been recaptured by Chiang Kai-shek's troops and that Gen. Feng Yu-hsiang is sending two divisions of troops eastward from Honan province in order to prevent the Shantung troops from advancing further southward. Thus do we find both Northerners and Southerners blocked, Chiang Kai-shek being blocked from a further advance northward by the opposition of Wu-Han and the Northerners blocked from a further advance sourthward by the opposition of Feng Yu-hsiang.

The Nanking-Hankow Situation

Turning to the Yangtsze Valley, we also find a similar deadlock between Chiang Kai-shek and Tang Shen-tse, for if Chiang Kai-shek advances against Wu-Han he weakens himself in the Lower Yangtsze and thus leaves the way open for a southern advance of the Shantung troops. And if Wu-Han moves too far toward the East against Chiang Kai-shek, there is the fear of Feng Yu-hsiang moving down from Honan province into Hupeh and against Hankow. Thus does the military situation for the moment at least appear to be deadlocked in such a way that nobody can move. Feng Yu-hsiang, occupying a sort of central position, largely holds the key to the future. Thus there is little questioning the fact that Feng has become the most important factor in the military situation at the present.

Negotiations Between Nanking and Peking

While Nanking officials strenuously deny that negotiations are proceeding between representatives of Chiang Kai-shek and Chang Tso-ling, we find in the *Peking Leader* (American paper) a definite statement that negotiations have been proceeding for a considerable time in Peking between agents of Chiang Kai-shek, Yen Hsi-shan and Chang Tso-ling for an understanding or at least a truce, which would enable Chiang Kai-shek to concentrate his whole attention upon the campaign against the Wu-Han faction. The statement in the *Leader* was to the effect that, while Chiang and Yen were reasonably close together, it was a more difficult problem to bring the Mukden faction into the picture, owing to the fact that peace was not so necessary to the Fengtien faction as it was to Chiang Kai-shek.

In the Meantime Hankow Ousts the 'Reds'

Chiang Kai-shek's campaign against the so-called 'communist' Government at Hankow has obviously lost considerable of its enthusiasm owing to Wu-Han's voluntary ousting of the Russian and Chinese Communists. A foreign correspondent in Hankow who recently has made a trip through Hunan province writes that both the labor and peasant unions as well as the branches of the Kuomintang Party in Hunan province have been forced out of existence and that no middle schools will be permitted to open in the province for at least a half year in order to eradicate members of the Communist Party. Gen. Tang Shen-tse's soldiers are going over the province making a house-to-house canvas for Communist and labor leaders and while Peasants' Unions under another name often spring up behind the armies, they are largely ineffective owing to the ruthlessness of the suppressionist tactics. Assuredly the revolution as a labor and peasants movement has ceased to exist in Central China for the present at least and while the semblance of a civilian government is being maintained in Wu-Han, the dominant factor is Gen. Tang Shen-tse or his associate Gen. Ho Chien. While there are some reports that the

From the Chinese Press

July 27—*Toho* report from Chungking, Szechuen province states that there are 9 Japanese, 14 Frenchmen, 6 Germans, 1 American, 1 Swede and 1 Greek in the city and a considerable number of missionaries in the interior; report also states that Szechuen General Liu Cheng-shun has been defeated and has fled and that Generals Liu Hsiang and Teng Hsi-hou have patched up their troubles and that internal strife has ceased—Gen. Li Chi-shen at Canton advises Chiang Kai-shek and Tang Shen-tse to get together and devote their attentions to the Northern campaign—Baron Tanaka, Japanese premier tells newspapermen that even though the situation is quieter in North China he doesn't consider it advisable to withdraw the Japanese troops from Shantung—*Kuo Wen* (Nanking official) news agency report states that Nanking Ministry of Finance has remitted the export tax on tea upon the request of Chinese tea merchants, but at the same time tells the merchants to get together and improve their product so that Chinese tea may again compete in the markets of the world—Nanking Ministry of Finance has allotted the sum of $3,500,000 a year for the expendituress of the Kiangsu Provincial Educational Bureau—*Kuo Wen* states that Borodin has returned to Hankow and has decided to return to Russia—Chang Tso-ling remits sum of $1,500,000 to Gen. Chang Chung-chang for military expenditures in Shantung province—Chiang Kai-shek goes to Hsuchowfu to inspect the military situation and then will go to Honan to see Feng Yu-hsiang—Nanking announces that in future the land tax must be paid in dollars instead of taels as previously—Fang Yu-hsiang has reorganized the Honan 'Red Spears' into volunteer troops—Feng Yu-hsiang has instructed Generals Chin Yun-ao and Liu Tsung-hua to move their troops eastward along the Lung-Hai line toward Shantung—Feng Yu-hsiang has begun construction of barracks at Loyang to house 100,000 troops—Gen. Hwang Fu, Mayor of Chinese Shanghai entertains Chinese merchants at Chamber of Commerce and urges them to support the Municipality—Chung Hua Book Company, Shanghai, which has been closed on account of labor trouble will reopen on August 1 as result of mediation of Pan Kung-chen, head of the Bureau of Agriculture, Labor and Commerce—Peking Ministry of Foreign Affaire decides to remit $100,000 monthly for payment of China's diplomats abroad—Liang Shih-yi goes to Hongkong on account of his brother's illness.

July 28—Borodin definitely departs from Hankow for Russia, traveling by way of Honan, where Feng Yu-hsiang has promised him safe transport through Shensi and Kansu and across Mongolia to Russia—Japanese deny report circulated in Chinese papers regarding Nanyang Maru incident at Nanking on June 19, wherein Chinese claim Chinese boats were sunk and Chinese general drowned—Japanese announce definitely that Hsuchowfu has been captured by Northerners, Chiang Kai-shek's troops retreating in demoralized manner—*Kuo Min* (Nanking official) agency reports that

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so-called 'red' elements have moved on down to Kiukiang where they are receiving the protection of Gen. Chang Fa-kwei, there is also evidence that this general also has his eyes on the main chance, otherwise the creation of a sphere for himself in Kiangsi province with possibility of extending his influence to the south through combination with Gen. Li Chi-shen at Canton.

Will Nanking and Wu-Han Fight?

As these lines are being written it is impossible to determine whether Nanking and Wu-Han will actually engage in open warfare. Gen. Chang Fa-kwei has mobilized his forces in the vicinity of Kiukiang and claims to control part of southern Anhwei while Chiang Kai-shek has mobilized a considerable force at Anking, the capital of Anhwei, located a short distance down the Yangtsze from Kiukiang. In addition to this troops are also being mobilized on both sides of the border between Kiangsi and Chekiang. The stage is thus being set for possible war, but the thing may even yet be settled by compromise, or left unsettled with each side in control of its own territories.

Dr. C. T. Wang Goes to Loyang

According to a Japanese *Toho* report, Dr. C. T. Wang, former Premier and Minister of Foreign Affairs has gone to Loyang for a conference with Gen. Feng Yu-hsiang. He was accompanied by Chao Cheng-nien, a representative of Gen. Hwang Fu, Mayor of the Shanghai-Woosung Special Administrative District, and according to the *Toho* report, Dr. Wang's purpose in going to Loyang was to induce the Christian General to cooperate with Gen. Chiang Kai-shek against the Wu-Han 'reds.' It was stated in the report that the Nanking Government is now supplying Feng Yu-hsiang with $2,000,000 a month for military expenses.

The China Courier

MIRROR OF CHINESE OPINION

公論日報

UP AND COMING

No other daily journal in the history of Shanghai has had such a rapid and surprising growth as THE CHINA COURIER. Our policy has attracted friends among the Chinese and various groups of foreigners who are working in harmony with the Chinese. We print a wide variety of interesting articles on literary, historical, economic and political subjects, written by specialists; including a page of book news every Saturday and other entertaining new departments.

As the organ of the Nationalist movement, and the spokesman of the Chinese in authority around Shanghai and in the greater part of China, THE CHINA COURIER in recent months has had a very large increase in subscriptions and in general popularity. Our paper prints news and an interpretation of news that are not found in any other journal in Shanghai. Consequently, the public—particularly that portion of it composed of the Chinese and the friends of the Chinese—are turning to the paper in increasing numbers. HERE IS A BODY OF READERS THAT SHOULD APPEAL STRONGLY TO ADVERTISERS.

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41-343

Bank of Chosen and National City Bank both ship silver northward on permission of Nanking Government—Nanking Government issues manifesto on Japanese troops in Shantung, declaring that Japan's actions are nothing more than "another episode in Japan's traditional aggressive policy in China, a matter of such seriousness that China should deal with it in its entirety and not in a piecemeal manner"—Feng Yu-hsiang notifies Nanking Government that he is dispatching heavy reinforcements into Shantung with the intention of attacking Tsinan—Koo Ying-feng and Y. M. Chien, of Nanking Ministry of Finance hold conference—Madame Borodin reported to have left Peking, in consequence of which the Doyen of the Diplomatic Corps has asked Fengtien to withdraw police from Diplomatic Quarter—General Political Council and General Labor Union in Wu-Han dissolved.

July 29—Toho report from Peking states that it is likely that the Northern troops will not advance further south than Hsuchowfu, and that the Southern troops will remain at the Haiho River, leaving the territory between as a sort of buffer area—Gen. Li Chi-shan at Canton definitely refuses to permit Chiang Kai-shek's appointee, Gen. Chen Ko-yu as Chief of the Canton Military department, to assume office—Japan appropriates Yen 250,000 as relief for Japanese refugees from the Yangtsze Valley—*Toho* report from Hankow states that while the Wu-han Government is sending many troops to Kiangsi that it is not certain that there will be a fight with Nanking; Wu-Han replies to Feng Yu-hsiang's request for a conference between Wu-Han and Nanking at Loyang, to the effect that the Nanking Government should be abolished and that warrants issued by the Wu-Han Genernment for the arrest of certain members of Nanking Government will be cancelled; Feng obviously working for unification of Nanking and Wu-Han—Feng notifies Wu-Han Government proposing abolition of Nanking Government and substitution of branch Government office in Nanking; that Anhwei be buffer territory between Wu-Han and Nanking; that other outstanding questions be postponed for a conference to be held in Peking after the city by the Nationalists—*Toho* report from Hongkong states that there is increasing evidence that Canton may break away from Chiang Kai-shek—Tsinan report states that Sun Chuan-fang will command Northern forces between Taianfu and Hsuchowfu—*Kuo Min* (Nanking official) agency circulates interview with Gen. Yung Ping, representative of Feng Yu-hsiang in Nanking stating that Hsuchowfu is still held by the Nationalist forces; also reported that Hsuchowfu has been recaptured from the Northerners by Feng's troops from Honan—Peking decides to abolish some more legations abroad—Chang Tso-ling orders Chang Chung-chang to come to Peking from Shantung for a conference—Nationalist Ministry of Finance decides to cancel taxes on flour and coal—Lo Wen-chwang, appointed vice-minister of finance at Nanking—Reported that Chiang Kai-shek and Hwang Fu will go to Loyang to confer with Feng Yu-hsiang—Chu Chao-hsin, formerly Peking's delegate to Geneva who resigned and joined the Nationalists, has been appointed vice-minister of foreign affairs at Nanking—Gen. Li Ping-hsuan appointed garrison commander at Wu-Han—Shanghai-Woosung constabulary reorganized under control of the municipality with Sung Pu-chen and Chang Chin-tsung as chief and vice-chief.

July 30-31—Chang Chung-chang and Sun Chuan-fang continue military operations in Northern Kiangsu, despite talk of armistice between Nanking and Peking—Pan Fu Peking premier departs for Shantung, supposedly for purpose of negotiating with Chiang Kai-shek—Ho Cheng-chung, agent of Chiang Kai-shek arrives in Peking and confers with Yang Yu-ting on the subject of an armistice—Reported that Shantung forces have captured Pengpu in Anhwei—Japanese Minister Yoshizawa will visit Shanghai before returning to Peking from Tokyo—Japanese Cotton Mill Owners Association holds conference in Osaka to consider taxation problem in China—Wang Ching-wei and Gen. Chang Fa-kwei arrive in Kiukiang from Hankow—Nanking Ministry of Foreign Affairs issues statement criticising Great Britain's action in violating the Government embargo on silver and using British gunboats to transport silver from Shanghai to Tientsin—C. C. Wu, Minister of Foreign Affairs of Nanking Government sends telegram to Feng Yu-hsiang urging that all possible measures be taken to trace the whereabouts of F. B. Riley, correspondent for the *London Times* who has been reported missing for several days—Nanking, in order to prevent usury in the lending of money passes regulation prohibiting charging of interest in excess of 20 percent annually—Wine merchants in International Settlement notified that a tax of 30 percent will be assessed—Nanking Government publishes regulations for prohibition of opium within three years—Japanese Charge d'affairs at Peking calls on Wang Ying-tai, Minister of Foreign Affairs at Peking about the clash between Japanese and Chinese soldiers at Tsingtao—Nanking announces cancellation of special tax on silk and cocoons in order to foster native industry—Feng Yu-hsiang arrives in Chengchow in order to welcome Chiang Kai-shek—Gen. Wang Pu appointed garrison commander at Anking, according to Nanking announcement—Gen. Ho Chien at Hankow arrests more than 100 Communists—Some 34,000 troops of Feng Yu-hsiang reported to have arrived in western Shantung.

August 1—Toho report from Peking states that Shantung forces which occupied Hsuchowfu have begun advancing westward against Feng Yu-hsiang at Chengchow, Honan and eastward against Haichow at the eastern end of the Lung-Hai Railway; that Feng Yu-hsiang is fortifying Kuiteh against the Shantung attack—*Toho* also states that the reason for Pan Fu (Peking Premier's) trip to Shantung was for purpose of informing Sun Chuan-fang and Chang Chung-chang of a secret agreement which had been reached between Chang Tso-ling and Chiang Kai-shek for an armistice—Wang Ching-wei and Sun Fo make trip to Kuling for conference with Gen. Chu Peh-teh and Chang Fa-kwei regarding the advance against Chiang Kai-shek; *Toho* report states that remnants of the Communist faction are in Kiukiang and are attacking the Wu-Han faction and Wang Ching-wei—*Toho* report from Hangchow states that the Government Mint at Hangchow, Chekiang province is now turning out $18,000,000 in new silver dollars, some $10,000,000 containing the profile of Yuan Shih-kai and $8,000,000 the profile of Sun Yat-sen—Ho Cheng-chung, agent of Chiang Kai-shek in Peking has gone to Taiyuanfu for a conference with Yen Hsi-shan—*Kuo Min* (Nanking Official) agency reports that the Nanking Government will sacrifice more than $44,000,000 annually through the abolition of likin in the six provinces of Kwangtung, Kwangsi, Fukien, Chekiang, Kiangsu and Anhwei—Provincial Government in Anhwei province will be formally established at Anking on August 10—Mukden party has remitted sum of $1,500,000 to Sun Chuan-fang for military expenses in Shantung and northern Kiangsu—Y. M. Chian, vice-Minister of Finance at Nanking has gone to Chekiang province for a conference.

August 2—Wu-Han Government dispatches 2nd, 10th, 11th and 20th armies to Kiukiang for service under Gen. Chang Fa-kwei; troops distributed at Kiukiang and Hukow and along Kiukiang-Nanchang Railway; 3rd and 9th armies under Gen. Chu Pei-teh, who was formerly in control of Kiangsi, have been shifted to southern part of province; at present Chu Peh-teh, Chang Fa-kwei, Madame Sun Yat-sen, Madame Liang Chung-kai and other Wu-Han politicians are at Kuling discussing the situation and making plans for opposing Chiang Kai-shek—Takeuchi, Parliamentary Under-Secretary of the Japan War Office arrives in Hankow to investigate situation—*Toho* report from Peking states that Soviet Government has effected an agreement with Outer Mongolia whereby 10,000 Soviet troops will be stationed at Kyakuta to assist the Mongols in the event of trouble with a 'third' party—Japanese Minister Yoshizawa expected in Shanghai for conference following which he will proceed to Nanking and Hankow before returning to Peking—Attempt made to bomb Gen. Li Chi-shen at Canton, some claiming the work of agents of Chiang Kai-shek or the Communists—Pan Fu, Peking premier arrives in Tsinanfu for conference with Chang Chung-chang following which he plans to go to Hsuchowfu to see Sun Chuang-fang, allegedly regarding an armistice with Chiang Kai-shek.

H. B. Campbell

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41-344

B. A. T. Closes Down Pootung Factory

The British-American Tobacco. Co. closed down the only factory still operating in China, the one at Pootung, opposite Shanghai, July 28, throwing out of employment 7,000 employees. The B. A. T. announces that the shutdown will be for about two weeks. In the meantime the employees are clamoring for the payment of wages during the time they are idle. The factory had been manufactering a much greater output than the sales force could handle, business being very much curtailed of late, owing to the boycott, the incidence of civil war, and the higher prices incidental to the new taxation.

New Books of Interest in the Far East

Has China A Great Industrial Future?

Ores and Industry in the Far East, by H. Foster Bain, Secretary American Institute of Mining and Metallurgical Engineers. New York: Council of Foreign Relations, Inc.

Although the author's survey covers the whole of the Far East, it is those chapters which relate principally to China which are of principal interest to the reviewer. Whether or not China has a great industrial future before it is a matter which has been discussed a great deal in times past. A country's industrial future is a great deal bound up with such fundamental resources as coal, iron, oil and water power.

Many a small-sized country, like England, Switzerland, and Japan, has gained a manufacturing pre-eminence quite out of proportion to size, due to the fact that certain basic factors necessary to industrial growth were present. In England's case rich deposits of coal and iron were found in close juxtaposition. In Japan not only is there considerable coal, but the enormous quantity of falling water is now being harnessed for producing electricity. Hydro-electric power in Switzerland is also the basis for that country's recent great industrial development. Of large countries, the United States has been the most favored of all in the matter of abundance in all the leading essentials necessary for industrial greatness.

China and the United States are comparable in size, but has China before it the same possibilities as America in the industrial field? It has been generally assumed that China has such a future, but the author of this book, taking the information so far as it has been revealed by surveys made up to the present, is rather of the opinion that China's future as an industrial country has been greatly over-estimated. China has the "bulge" on the rest of the world in some very essential minerals—antimony for instance, of which China furnishes four-fifths of the world's supply. China has another very valuable mineral asset in the large wolfram deposits. Wolfram is the basis of tungsten and China supplies more than half the world's consumption of this important mineral.

But to be the possessor of some valuable and important special minerals is quite a different thing from being in a strategic position as regards industry in general. How is China off for the essentials for steel-making, for example? Steel is the very basis of modern industry, the framework of the whole industrial structure. In China it is true that there are considerable supplies of coal and also of iron, but nothing to be compared with the supplies available in Western countries. China is better off for coal than any of the other Eastern countries, but her iron ore supplies are comparatively meagre. Likewise, as regards oil. Oil has been pumped up from the bowels of the earth in Szechuen for centuries, but searches for oil generally in China have proved disappointing. China's future appears therefore to be bound up, as has its past, mostly with its agricultural wealth.

G. W. M.

More Than 300 Attend Boston Banquet to Madame Wu Lien-teh

More than 300 guests, including Frederick W. Cook, secretary of state of Massachusetts and other notables attended a banquet in Boston at the Hotel Statler on June 28 in honor of Madame Wu Lien-teh, wife of Dr. Wu Lien-teh, head of the Plague Prevention Bureau of Manchuria. The banquet was given by Dr. Tehyi Hsieh, head of the Chinese trade mission in the United States.

Madame Wu Lien-teh, who is the author of "The Most Famous Beauty of China," and other books, is now in America gathering material for another book which she is now engaged in writing. Madame Wu appeared at the banquet in a costume of the Tang dynasty of 780 A. D. She was introduced by her son, Dr. C. K. Wu, who recently was graduated from Johns Hopkins University. Chinese food was served at the banquet.

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In the United States Court for China

In re Estate of L. FRED PATSTONE, Deceased. | Cause No. 2960 | Estate No. 628 | NOTICE

Pursuant to an Order of said Court, notice is hereby given to all persons having claims against the Estate of L. FRED PATSTONE, deceased, to present the same with vouchers to the undersigned, on or before January 27, 1928, and all persons owing debts to said deceased are hereby notified to make payment of the same in due course to the undersigned.

DAISEY CLARK PATSTONE
Executrix
1538 Avenue Joffre
SHANGHAI

Shanghai China,
July 27, 1927.

In the United States Court for China

In re Estate of HENRY ALFRED CARLETON EMERY, Deceased. | Cause No. 2961 | Estate No. 658 | NOTICE

Pursuant to an Order of said Court, notice is hereby given to all persons having claims against the Estate of HENRY ALFRED CARDETON EMERY, deceased, to present the same with vouchers to the undersigned on or before December 4, 1927, and all persons owing debts to said deceased are hereby notified to make payment of the same in due course to the undersigned.

FRANCESE ADELENE DIANTHEA EMERY
EXECUTRIX
c/o Messrs. Fleming & Allman
Yokohama Specie Bank Building
Shanghai, China.

In the United States Court for China

In re
Last Will and Testament
of
JOHN W. SCHOENFELD,
Deceased.

Cause No. 2963
Estate No. 660
NOTICE

Pursuant to an Order of said Court, notice is hereby given to all persons having claims against the estate of JOHN W. SCHOENFELD, Deceased, to present the same with vouchers to the undersigned on or before February 4, 1928, and all persons owing debts to said deceased are hereby notified to make payment of the same in due course to the undersigned.

ETHEL G. SCHOENFELD
Executrix.
c/o Schuhl & Schoenfeld
141 Szechuen Road
SHANGHAI.

American Gold Bond Quotations

Name of Security	Coupon Rate %	Date of Maturity	Sale Price July 28th	Sale Price July 28th	Approx. Yield to Maturity July 28th
Czecho-Slovak Govt. Sinking Fund Loan...	8	Oct. 1, 1952	107⅜	108	7.30
Czecho Slovak Government Ext. S.F. Loan..	7½	Oct. 1, 1945	105¼	105⅜	6.95
Republic of Chile S. F. Loan	7	Nov. 1, 1942	101	101⅛	6.85
Argentine Government Ext. S. F. Loan.....	6	May. 1, 1960	99¼	99½	6.05
Kingdom of Italy, Ext. S. F. Loan.....	7	Dec. 1, 1951	94⅝	94¾	7.45
Austrian Government S. F. Guaranteed Loan..	7	June 1, 1943	104	102½	6.75
French Government Ext. S. F. Loan.....	8	Sep. 15, 1945	110¼	111	6.90
Japanese Govt. (£)	5	1907/1947	80	82	6.65
German Governments S. F. Loan.....	7	Oct. 1, 1949	106⅞	107⅛	6.40
Deutsche Renten Bank 1st Lien Farm Loan	7	Sept. 15, 1950	101⅞	101½	6.85
Saxon Public Works Inc. 1st Mtge. Guaranteed S. F. Loan....	7	Feb. 1. 1945	101¾	102	6.80
German General Electric Co. S.F. Loan....	7	Jan. 15, 1945	104⅛	105	6.50
Finnish Guaranteed Municipalities S. F. Loan	6½	Oct. 1, 1954	98	98	6.65
Chicago Rapid Transit 1st. & Refunding Mtge.	6½	July 1, 1944	98	98	6.70
Northern Ohio Power & Light Co. Debentures .	6½	Jan. 1, 1941	98⅛	98½	6.65
Cuban Domin. Sugar Co. 1st Lien S. F. Loan...	7½	Nov. 1, 1944	100⅛	100⅞	7.45
Camaguey Sugar Co. 1st. Mtge. S. F. Loan	7	Oct. 15, 1942	99¾	100	7.00
Pennsylvania Dixie Cement Corpn. Cumulative	7	Pfd. Stock	97½	97	7.22
Victor Talking Machine Company Cum. Prior..	7	Pfd. Stock	97½	97⅛	7.18
Willys Overland Co.....	7	Pfd. Stock	90	90	7.78
The National City Bank of New York.....	20	Stock	560	563	7.53

The National City Company, The National City Bank Building, No. 2A Kiukiang Road, Shanghai, China.
These quotations are subject to confirmation by the National City Company of New York.

Shanghai Exchange for Week Ending Wednesday, August 3, 1927

By Maitland, Fearon and Brand

Exchange:—A further decline of 1/16d. in the price of Bar Silver in London has taken place during the past week, today's quotation is 25⅞d. ready and forward, it is reported that the Indian Government has sold 9 million fine ounces of silver in London during the week, which, if such be the case, it is remarkable that the decline in the silver price is not greater.

The official T/T rate on London is ⅛d. lower at 2/6⅛d. The exchange market continues dull and owing to fairly heavy purchases by speculators of gold currencies during the last few days has shown an easier tendency. Our stocks of Sycee and Bar Silver continue to decrease which is due to the fact that the mints are not only consuming all the Bar Silver that is arriving in Shanghai but also a certain amount of sycee. On the other hand our stocks of dollars have increased considerably

The exchange market is quiet at the close with the following rates for Gold remittances available:—T/T London 2/6 7/16d., New York 61½, Yen 77¼.

Our stocks of silver are reported as follows:—
Sycee and Bar Silver.....Tls. 61,062,000 a decrease of Tls. 2,475,000
Chinese and Mexican Dollars..... $85,500,000 an increase of $ 3,390,000
Estimated value Tls. 122,622,000 as against Tls. 123,757,000 held at this time last year.

	Average rates for June	Thursday July 28	Friday July 29	Satur. July 30	Mon. July 1	Tuesday July 2	Wednesday July 3
Bank's selling rates		*opening closing*	*opening closing*	*opening closing*	*opening closing*	*opening closing*	*opening closing*
T/T London	2/6½	2/6⅜	2/6½	2/6⅜		2/6½ 2/6⅜	2/6¼
D/Dfts ,,	—	2/6 9/16	2/6 9/16	2/6 9/16		2/6 9/16	2/6 5/16
4 m/s ,,	—	2/6¾	2/6⅝	2/6⅝		2/6 5/16	2/6⅜
T/T India	170.208	170¼	170	170¼		2/6⅝ 2/6½ 170¼ 169	169
T/T France	1.575.000	1575	1575	1575		1575 1565	1565
T/T N. Y.	61.750	61⅝	61⅜	61⅝		61⅜ 61¼	61¼
T/T Demand		61⅞	61⅞	61⅞		61⅞ 61⅝	61⅝
T/T Hamburg		259½	259½	259½		259½ 257	257
T/T H'kong	78.990	79	79	79		79 79	79¼
T/T Japan	76.318	76½	76⅝	76⅜		76 9/16 77⅛	77½
T/T Batavia	153.490	153½	153½	153½		153½ 152¼	152¼
T/T Straits	91.250	91¼	91¼	91¼		91¼ 92	92
Bk's buying rates 4 m/s B/L. Cred. D/A		2/8½	2/8½	2. 8½		2/8½ 2/8¼	2/8¼
4 m/s ,, D/P	—	2/8 5/8	2/8 5/8	2/8 5/8		2/8 5/8 2/8⅜	2/8⅜
6 m/s ,, B/L Cred D/A	2/8 1/16	2/8 1/16	2/8 1/16	2/8 1/16		2/8 1/16 2/8 9/16	2/8 9/16
4 m/s B/F Cred D/A or D/P	1.705.000	1705	1705	1705		1705 1695	1695
4 m/s N.Y.Lc.	65.250	65½	65⅛	65½		65¼ 64⅝	64⅝
4 m/s ,, Docs	—	65⅝	65¾	65¾		65¼ 65¼	65¼

BANK HOLIDAY

†Based on Daily Official quotation, higher rate taken on rising Market, lower when falling. Bullion.	July 28	July 29	July 30	Aug. 1	Aug. 2	Aug. 3
*London Price of Bar Silver per oz. (English Standard 925 touch)...Pence	26 1/16	25⅞	25⅞		26 1/16	25⅞
**New York Price of Bar Silver per oz. (Pure)	G. $.56⅝	G. $. 56¼	G. $. 56¾		G. $.56⅜	G. $.56
Shanghai Price of Gold Bars (weight Tls. 10 (Changing) 978 touch).....	Tls. 366.90	Tls. 369.80	Tls. 368.30		Tls.	Tls. 376.00
Shanghai Silver Bars (weight Tls. 100 (C.) 999 touch)	110.90	110.90	110.90		110.90	110.90
Shanghai Mexican Dollars per $100.....	72.60	72.45	72.525		72.4375	72.40
Native Bank Rate of Interest (Call money).....	10%	14%	5½%		5%	4%
*Closing Price in Lond on for Previous day						
**Closing Price in New York for Previous day						

HOLIDAYS

Bank of England rate of discount	4½%	London Paris on	T/T 124.04
Bank of France rate of discount	5%	New York on London	T/T 485⅝
London open Market of Dis. 3 m/s	4 5/8%	Bombay on London	T/T 1/5 3/8
,, 4 ,,	4 5/8%	Hongkong on London	T/T 1/11¾
,, 6 ,,	4 5/8%	Kobe on London	T/T 1/11⅜